Quality Counts

HEALTH PLAN

A regional health plan recovered millions through HMS's rigorous audit process.

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Overview

For one Pacific Northwest regional health plan, the financial impact of inappropriate claims was growing severe. Waste generated across its 300,000 Medicare Advantage and commercial plan members was running into the tens of millions annually – and still rising.

The plan's executive leadership knew the need for remediation was critical, but faced significant challenges to implementing effective solutions. The plan lacked in-house expertise and the staff necessary to audit thousands of claims and undertake the time-consuming process of recovering overpayments. An aggressive audit and payment recovery process was needed.

Through HMS, they found a business partner with established expertise and a successful track record in payment integrity solutions. They also found a team ready to form a close working relationship – one that would allow them to respond dynamically to operational issues while recovering massive amounts of waste.

Approach

The process HMS implemented was fundamental to effective auditing and the successful overpayment recovery operation that followed. The multi-faceted approach included all related operational teams while keeping providers in mind:

- Bi-weekly meetings with the plan's network services and claims appeals teams, ensuring full disclosure of each audit HMS conducted on providers' claims, and to resolve any problems as they came to light.
- Regular educational meetings with the plan's medical director about the selection and audit review process and to answer questions.
- Monthly reconciliation of files with the plan's payment integrity team to ensure that records of repayment were accurate and any discrepancies resolved.

Provider portal

HMS built a portal at no cost to this client, giving providers and the plan alike clear insight into the claims process. Importantly, providers could review their submitted claims, see their payment status, and receive early warning of a technical denial due to non-compliance with documentation requirements. Providers could also review findings on their initial claims, and whether appeals were upheld or overturned.

This unprecedented access also generated efficiencies for the plan. While keeping communications with providers transparent, the ability to access detailed information about their claims and appeals on denials reduced the number of inquiries to the network services and payment integrity teams. Additionally, the network services team could easily review the provider's claim activity and provide responsive customer service.

HMS delivers the bottom line

At the client's request, HMS limited the number of audits on some providers and excluded others. But the bottom line success factor for payment integrity audits are the recovery of payments for inappropriate claims. Here, the high quality of HMS audits shone.

HMS began by focusing on the client's Medicare Advantage claims, where the highest recovery rates would be generated. The client agreed to run all complex audits that HMS offers in the Medicare Advantage space, including those that reviewed claims for short stays, skilled nursing facilities and prescription drugs, along with verified coding.

Building on the success with Medicare Advantage claims, the client also asked HMS to conduct coding audits on claims from their commercial lines as well, where additional waste was recovered.

Results

During a single calendar year, payment integrity verification audits and payment recovery initiatives by HMS generated a total of $13.2 million for this client, plus more than $3 million from incorrectly coded claims submitted through its commercial lines.

"The saving HMS found for this client demonstrates the value HMS can bring to both Medicare Advantage and commercial plans. We provided the capability and expertise to conduct high-level audits on claims, a capability they didn't have in-house," said Lilli DuVall, account director for HMS Health Plan Solutions.

In one year, HMS delivered more than $16 million in commercial and Medicare Advantage savings for a regional health plan. Our secret: an aggressive process, established expertise, and dynamic responsiveness.