

# **How the AMA Can Help You with Plan Oversight**

Presented by:

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## ***Pioneering Specialists in Group Health Care Post-Payment Administration for 25 Years***

**Unblemished track record – no HIPAA violations or employee issues**

- First with 100% claim audits
- Introduced the use of claim audits for recovery
- Originated linking of enrollment reconciliation with claim audits
- Started dependent eligibility audits 15 years ago
- Revolutionized data intake with payer-defined data – always successful
- Re-defining competitive bidding
- Extending control of data to self-funded plans of all sizes
- Putting meaning into fiduciary oversight via Routine Plan Monitoring

# Performance Standards: A Long History

- The idea of using standards to support plan oversight is not new.
- I first wrote about them in 1995 and it was not a new idea then.



# Performance Standards: Currently

- Explosion in standards now underway.
  - Quality Entity Certification Program has 450+ claim-based standards (each with its own “steward”).  
<https://www.qemedicaredata.org/SitePages/measures.aspx>
  - Brokers and Consultants have their own versions.
  - Payers routinely offer “Performance Guarantees.”
- Why?
  - Because we can.
  - Because plans want to know how they are doing.

# AMA Annual National Health Insurer Report Card

- 8 payers: Medicare, Aetna, CIGNA, HCSC, Humana, Regence Group, United Health Care
- Monitored across 17 metrics
- Annually for many years

## AMA Measures

Metric	Range Across 8 Payers
1. Payer claim received date disclosed.	31%-100%
2. First remittance response time (days).	6-15
3. Electronic Fund Transfer adoption rate.	25%-95%
4. Allowed amounts disclosed.	99%-100%
5. Contracted fee schedule match rate.	62%-98%
6. First Electronic Remittance Advice accuracy.	61%-96%
7. Prior authorization frequency.	0.04%-6.15%
8. Payer-specific claim edits.	1.4%-81.4%
9. Claims reduced to \$0 by disclosed claim edits.	2.3%-10.1%
10. Claims reduced to \$0 by undisclosed claim edits.	0.3%-1.0%
11. Percent of claim lines denied.	0.68%-3.62%

# **AMA Annual National Health Insurer Report Card**

## **Excellent Model for Plan Oversight**

## **NOT Because of the Measures Because of the Process**

## What Makes AMA Model Worth Imitating?

1. Defined their standards
2. Transparent
3. Measurement done professionally
4. Address measures validity and reliability
5. Repeatedly monitored measures over time



# What Makes AMA Model Worth Imitating?

## 1. Defined their standards

- DESCRIPTION
- CALCULATION
- FILTERS

# What Makes AMA Model Worth Imitating?

## 2. Transparent

<http://www.ama-assn.org/ama/pub/physician-resources/practice-management-center/health-insurer-payer-relations/national-health-insurer-report-card.page>

## What Makes AMA Model Worth Imitating?

### 3. Measurement done professionally

- Payer self-measurement never “fails” the payer.
- Inexperienced analysts distract from results.
- Independence, experience required.

## What Makes AMA Model Worth Imitating?

### 4. Address measure validity and reliability

- Validity: does the measure, measure what it says.
- Reliability: can the measure be replicated
  
- Are these confirmed at all?
- If so, how?

## What Makes AMA Model Worth Imitating?

### 5. Repeatedly monitored measures over time

- Once is not enough
- Once per year is minimum
- More frequently as warranted
  
- Sentinel Effect is a plan's most powerful tool.

# Past Webinars Available

Recordings of past webinars are available upon request, including:

- March 2012 – Health Data Control
- February, 2012 – Health Reform: A Contrarian’s Perspective
- January, 2012 – The Road to 100% Transparency
- December, 2011 – 2012: What Does it Hold for Self-funded Health Plans?
- November, 2011 – Overpayment Collection
- October, 2011 – Finding Provider Fraud
- September, 2011 – Complete Enrollment Validation
- August, 2011 – New HIPAA Accounting Requirements
- July, 2011 – Dos and Don’ts of Competitive Bidding
- June, 2011 – You’ve Done a Dependent Audit. Now What?
- May, 2011 – Two Dozen Reasons for Claim Payment Error
- April, 2011 – How Does Your Plan Compare?
- March, 2011 – How Medicare Can Help Employer Health Plans
- February, 2011 – Administrative Fee Inflation

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