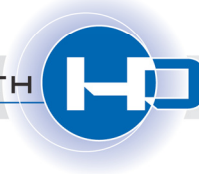


HEALTH



DECISIONS, INC.

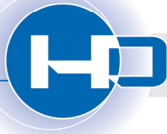
# How Medicare Can Help Employer Health Plans

Presented by:

Si Nahra, Ph.D., President

Michael Falis, Senior Software Engineer

**March 31, 2011**



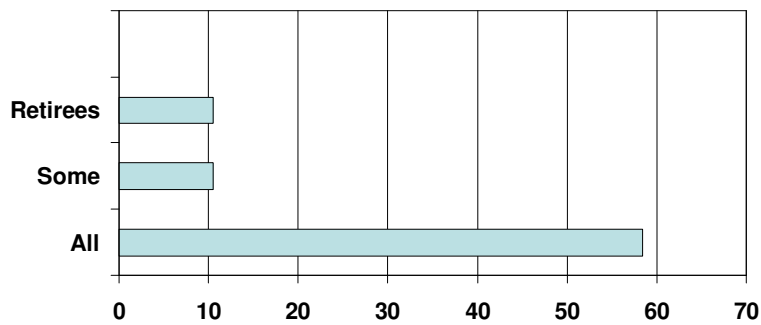
## ***Pioneering Specialists in Group Health Care***

### ***Post-Payment Administration for Over 20 Years***

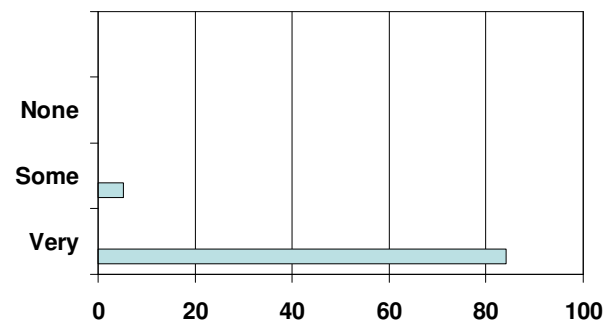
- First with 100% claim audits
- Introduced the use of claim audits for recovery
- Originated linking of enrollment reconciliation with claim audits
- Started dependent audits 15 years ago
- Revolutionized data intake with payer-defined downloads – always successful
- Unblemished track record – no HIPAA violations or employee issues

# Attendee Survey Responses

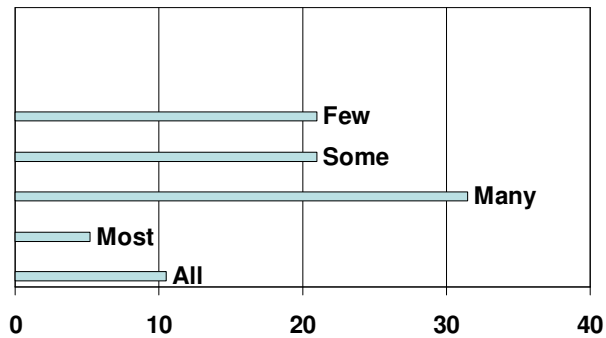
**Plans Medicare Impacts**



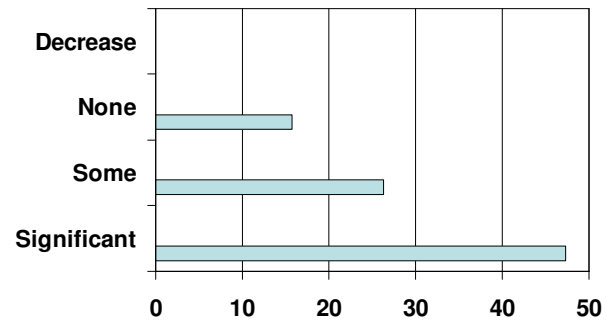
**Importance of Medicare**



**Plans Using Medicare Standards**



**Health Reform Impact on Medicare**



## Medicare In Perspective

- Medicare is not perfect
  - High levels of fraud
- Medicare offers reasonable reference point
  - Fully transparent
- Medicare provides fair basis for comparison
  - Minimum expectations
- Medicare sets “de facto” market standard
  - Amplifies and maximizes plan leverage

## Medicare Impact: Three Impact Points

1. Medicare Payment Coordination
  - Medicare Secondary Payment (MSP compliance)
  - Medicare Primary Payment (Health Decisions' specialty)
2. Medicare Payment Standards
  - Focus today
3. Medicare Payment Levels
  - Demo today

## Medicare Payment Standards

<b>Claim Edits</b>	<b>Questionable Cases</b>	<b>Reference Files</b>
<b>NOTE: Requires license from AMA for CPT codes.</b>		
Physician Correct Coding	Medically Unlikely	National Provider Identifier
Hospital Outpatient Correct Coding	Hospital Acquired Conditions	Provider Fraud Master File
Diagnoses and Procedure Edits	“Never” Events	Death Master File

## Claim Edit #1

### Physician Correct Coding

Construct “Encounters”

(Same person/Same day/Same provider)

Compare Code Pairs

(Column 1 and Column 2 codes can't be in same encounter)

Looks for mutually exclusion procedures, unbundling, up-coding, etc.

<http://www.cms.gov/NationalCorrectCodInitEd/NCCI/IEP/list.asp#TopOfPage>

## Claim Edit #2

# Hospital Outpatient Correct Coding

Similar to Physician Correct Coding

But for Hospital Outpatient Departments

<http://www.cms.gov/NationalCorrectCodInitEd/NCCIEHOPPS/list.asp#TopOfPage>



## Claim Edit #3

### Diagnoses and Procedure Code Edits

Similar to other tests but at the  
Claim Line Not Encounter Level

18 test areas

[http://www.ntis.gov/pdf/mce27\\_user\\_oct10.pdf](http://www.ntis.gov/pdf/mce27_user_oct10.pdf)

## Questionable Cases #1

### Medically Unlikely Events

Applies to Part B (professional) claims

Maximum number of units of service for  
same person/same day

Most public but some not.

NOT practice guidelines or recommended levels.

[http://www.cms.gov/NationalCorrectCodInitEd/08\\_MUE.asp#TopOfPage](http://www.cms.gov/NationalCorrectCodInitEd/08_MUE.asp#TopOfPage)

## Questionable Cases #2

### Hospital Acquired Conditions

10 categories

(E.g., foreign object left after surgery, blood incompatibility, care-related infections, pressure ulcers, etc.)

Creative coding an issue.

Non-payment may mean no care for problem.

<https://www.cms.gov/HospitalAcqCond/>

## Questionable Cases #3

### Never Events

Similar to Hospital Acquired Conditions  
(unambiguous, usually preventable, serious)

Controversial but few results

<http://patients.about.com/od/patientempowermentissues/a/medicare08never.htm>

## Reference File #1

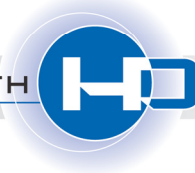
### National Provider Identifier

National Plan & Provider Enumeration System (NPPES)

Mandated for 2012

Good indicator of payer preparedness for new regulations

<https://nppes.cms.hhs.gov/NPPES/NPIRegistryHome.do>



## Reference File #2

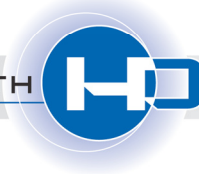
### Provider Fraud Master File

List of Excluded Individual Entities (LEIE)

ADDRESS not person

Needs verification to be sure it isn't a legit provider that shares an address with a provided convicted of fraud.

[http://oig.hhs.gov/fraud/exclusions/exclusions\\_list.asp](http://oig.hhs.gov/fraud/exclusions/exclusions_list.asp)



## Reference File #3

# Death Master File

Social Security Administration Death File

Not 100% but good start

<http://www.ntis.gov/products/ssa-quarterly.aspx>

## Provider Payment Levels

# HD Medicare Calculator

Equation Overview

Detailed Calculation Walkthrough

Medicare Webpage for Inpatient Prospective Payment:

<http://www.cms.gov/ProspMedicareFeeSvcPmtGen/>

Medicare Webpage for acute inpatient

<http://www.cms.gov/AcuteInpatientPPS/>

Medicare Webpage for data files used in calculation.

<http://www.cms.gov/AcuteInpatientPPS/10FR/list.asp#TopOfPage>



For More Information  
Contact

[si@healthdecisions.com](mailto:si@healthdecisions.com)

We offer no-cost consultations  
to answer questions and discuss options.