

Provider Score Card: Common Sense Tests to Foster Competition

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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

Provider Score Card

Why Is It Needed?

Two Reasons

1. Traditional “supply-and-demand” competition does not work in health care because the providers control what is supplied and demanded.
2. Employers’ reliance on their plan administrators to monitor providers is largely based on fiction.
 - Most payers simply pay provider bills with little or no monitoring or competitive comparison.
 - Many payers actually favor provider interests over employer interests.
 - PPO plans often cannot afford to offend providers

Provider Score Card: What Is It?

- A series of provider performance measures
- Based on billing and payment patterns
- That can be used individually or in combination
- By self-funded employers with or without their payers
- To measure, monitor and compare providers
- And use those results to pinpoint non-competitive providers who warrant special attention.

Provider Score Card: Components

- Comparison to Federal billing standards
→ **Correct Coding**
- Comparison for internal billing consistency
→ **Unexplained Cost Increase**
→ **Missed Discounts**
- Comparison to other providers
→ **Peer Analysis**

Provider Score Card: Correct Coding

- Federal standards required by Medicare and Medicaid and endorsed by AMA and others
- MINIMUM expectation for all plans.
- Insist on inclusion as part of payment review.
- Other standards used in provider contracts are fine too. Use both but include these.

Provider Score Card: Correct Coding

DEMO Client
Correct Coding Summary by Recovery Status
Claims Incurred From 06/01/2002 through 08/31/2003 (Paid Through 09/30/2003)

**Only Non-Hospital Based Providers Are
Included In This Report**

Recoverable Claims Regardless Of Modifier

Includes the following:
1.) Claims without modifiers that may be correctly coded if the appropriate modifier is present.
2.) Claims without modifiers that are incorrectly coded regardless of modifier.
3.) Claims with modifiers that are incorrectly coded regardless of modifier.

Provider Network Status: Unknown	
Reason	Recoverable Payments
Standards of medical / surgical practice	\$8,779.38
Standard preparation / monitoring services	\$4,376.59
Mutually exclusive procedures	\$1,390.62
Most extensive procedures	\$407.40
Misuse of Column 2 code with Column 1 code	\$9,490.59
Laboratory panels	\$56.61
HCPCS/CPT separate procedure definition	\$5,616.68
HCPCS/CPT procedure code definition	\$1,693.72
HCPCS/CPT coding manual instruction / guideline	\$1,740.64
Anesthesia included in surgical procedures	\$33,831.35
Recoverable Payments:	\$67,383.58

Claims With Modifiers To Be Investigated

Claims with modifiers that may be correctly coded if the appropriate modifier is present.

Provider Network Status: Unknown	
Reason	Recoverable Payments
Standards of medical / surgical practice	\$78,470.41
Standard preparation / monitoring services	\$9,914.38
Sequential procedures	\$1,438.84
Mutually exclusive procedures	\$42,913.87
Most extensive procedures	\$38,255.32
Misuse of Column 2 code with Column 1 code	\$18,205.54
Laboratory panels	\$153.79
HCPCS/CPT separate procedure definition	\$4,367.45
HCPCS/CPT procedure code definition	\$4,698.25
HCPCS/CPT coding manual instruction / guideline	\$14,739.02
Anesthesia included in surgical procedures	\$1,701.29
Recoverable Payments:	\$214,858.16

Total Payments: \$282,241.74

Provider Score Card: Unexplained Cost Increase

- Uses claim billing history.
- Looks at the same
Provider/Procedure/Patient
- Identifies changes in payment over time that
need explanation.

Provider Score Card: Unexplained Cost Increase

Sample Client

Unexplained Cost Increase Analysis - CPT
Claims Incurred 10/2/2008 - 10/27/2010 Paid Through 10/28/2010

Grouped Fields													Aggregated Fields											
Subscriber ID	Member ID	In Out PvdID	Patient Status	Net Status	Place Of Service	Proc1	Proc2	Proc3	Mod1	Mod2	Mod3	Unit Count	Records	Incurred Min	Incurred Max	Charge Min	Charge Max	Charge Ratio	Allow Min	Allow Max	Allow Ratio	Pay Min	Pay Max	Pay Ratio
110326	110326	42935	O	I	12	A7030						1	2	10/29/2009	09/29/2010	195.00	\$ 261.00	\$ 1.34	156.00	\$ 208.80	\$ 1.34	117.00	156.60	1.34
110611	110611	262531	O	I	11	88305						1	3	03/27/2010	09/21/2010	125.00	\$ 180.00	\$ 1.44	125.00	\$ 170.30	\$ 1.36	87.50	119.21	1.36
164737	164737	38407	O	I	11	97001						1	2	06/28/2010	09/28/2010	75.00	\$ 112.50	\$ 1.50	75.00	\$ 100.61	\$ 1.34	75.00	100.61	1.34
166113	166113	47563	O	I	11	99215						1	2	03/03/2010	09/09/2010	94.64	\$ 264.16	\$ 2.79	94.64	\$ 223.12	\$ 2.36	74.23	208.12	2.80
166610	166611	270546	O	I	22	99215						1	3	01/13/2010	07/27/2010	245.00	\$ 360.00	\$ 1.47	183.75	\$ 270.00	\$ 1.47	168.75	255.00	1.51
166610	166611	270546	I	I	21	99223			AI	AI		1	2	05/16/2010	07/27/2010	360.00	\$ 648.00	\$ 1.80	270.00	\$ 486.00	\$ 1.80	270.00	486.00	1.80
166610	166611	270546	I	I	21	99233						1	4	01/15/2010	07/28/2010	205.00	\$ 338.00	\$ 1.65	153.75	\$ 253.50	\$ 1.65	153.75	253.50	1.65
172239	172239	37687	O	I	11	99213					25	1	2	11/30/2009	10/29/2010	81.00	\$ 118.00	\$ 1.46	81.00	\$ 110.35	\$ 1.36	66.00	95.35	1.44
242008	242008	48822	O	I	11	88305						1	2	07/01/2010	07/21/2010	125.00	\$ 180.00	\$ 1.44	125.00	\$ 170.30	\$ 1.36	80.58	127.72	1.59
242973	242973	47563	O	I	11	99215						1	4	06/23/2009	09/09/2010	91.00	\$ 264.16	\$ 2.90	91.00	\$ 129.74	\$ 1.43	91.00	129.74	1.43
247237	247237	263346	O	I	12	A4352						120	2	09/11/2010	09/09/2010	360.00	\$ 687.60	\$ 1.91	360.00	\$ 687.60	\$ 1.91	288.00	550.08	1.91
163995	255810	278341	O	I	11	99391						1	3	11/17/2009	09/20/2010	57.00	\$ 125.00	\$ 2.19	57.00	\$ 125.00	\$ 2.19	57.00	105.00	1.84
169240	259570	273343	O	I	11	99391						1	2	12/21/2009	09/23/2010	57.00	\$ 125.00	\$ 2.19	57.00	\$ 125.00	\$ 2.19	57.00	110.00	1.93
74416	74416	263375	O	I	24	64623					SG	1	2	12/16/2009	08/11/2010	580.00	\$ 1,050.00	\$ 1.81	580.00	\$ 1,050.00	\$ 1.81	580.00	945.00	1.63

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Provider Score Card: Missed Discounts

- Uses claim billing history
- Looks at same Provider/Procedure for in-network providers
- Identifies Provider/Procedure billings where **SOME BUT NOT ALL** are discounted
- Flags non-discounted claims for explanation.



Provider Score Card: Missed Discounts

Sample Client Missed Discount By Provider Claims Inured From 2/01/2009 through 1/31/2010 (Fac. Through 01/29/2010)						
Only In-Network, Non-Hospital Based Providers Are Included In This Report						
Provider: 0H1006	Discounted Claims:	Average Discount:	Undiscounted Claims:	Undiscounted Charges:	Estimated Savings:	
Procedure Code: 39070 (0) (9) (Major therapy, hydroc therapy, bar) (airline co-ides, profes disciplinosev services, care coordination, and all necessary supplies and equipment (drugs and nursing visits coded separately), per diem (do not use with hydroc therapy codes 5))	3	66.71%	15	\$5,220.20	\$3,032.64	
Provider Total:					\$5,632.64	
Provider: 0H1196	Discounted Claims:	Average Discount:	Undiscounted Claims:	Undiscounted Charges:	Estimated Savings:	
Procedure Code: J2J27 (V)	2	1.00%	23	\$61,462.00	\$2,135.17	
Provider Total:					\$2,135.17	
Provider: 0F315B5	Discounted Claims:	Average Discount:	Undiscounted Claims:	Undiscounted Charges:	Estimated Savings:	
Procedure Code: 33110 (IC) (PHYSIC EXAMINATION)	15	56.76%	1	\$18.76	\$10.78	
33200 (P)	3	54.94%	5	\$126.49	\$36.94	
33214 (P)	11	56.96%	5	\$1,874.06	\$1,106.81	
Provider Total:					\$1,135.11	
Provider: 0F310B1	Discounted Claims:	Average Discount:	Undiscounted Claims:	Undiscounted Charges:	Estimated Savings:	
Procedure Code: 33322 (L) (AMBICLICLY, BIK SLL LUMBAR)	1	41.54%	1	\$2,300.00	\$451.12	
Provider Total:					\$451.12	
Provider: 0D70012	Discounted Claims:	Average Discount:	Undiscounted Claims:	Undiscounted Charges:	Estimated Savings:	
Procedure Code: 33336 (PSYTX OFF, 45-50 MIN)	3	44.00%	23	\$2,000.00	\$631.00	
Provider Total:					\$631.00	
Provider: 0F08192	Discounted Claims:	Average Discount:	Undiscounted Claims:	Undiscounted Charges:	Estimated Savings:	
Procedure Code: J3337 (A) (L) (1) (BANK) (VAG LLL VL-R)	15	64.40%	2	\$1,224.99	\$433.20	
Provider Total:					\$433.20	
Provider: 0E06376	Discounted Claims:	Average Discount:	Undiscounted Claims:	Undiscounted Charges:	Estimated Savings:	
Procedure Code: 23330 (REMOVAL OF SUPPORT IMPLANT)	3	36.00%	3	\$2,100.00	\$732.00	
Provider Total:					\$732.00	
Provider: 0R21736	Discounted Claims:	Average Discount:	Undiscounted Claims:	Undiscounted Charges:	Estimated Savings:	
Procedure Code: 33316 (PREVY SUT FST ACF 41464)	1	6.77%	1	\$145.00	\$17.77	

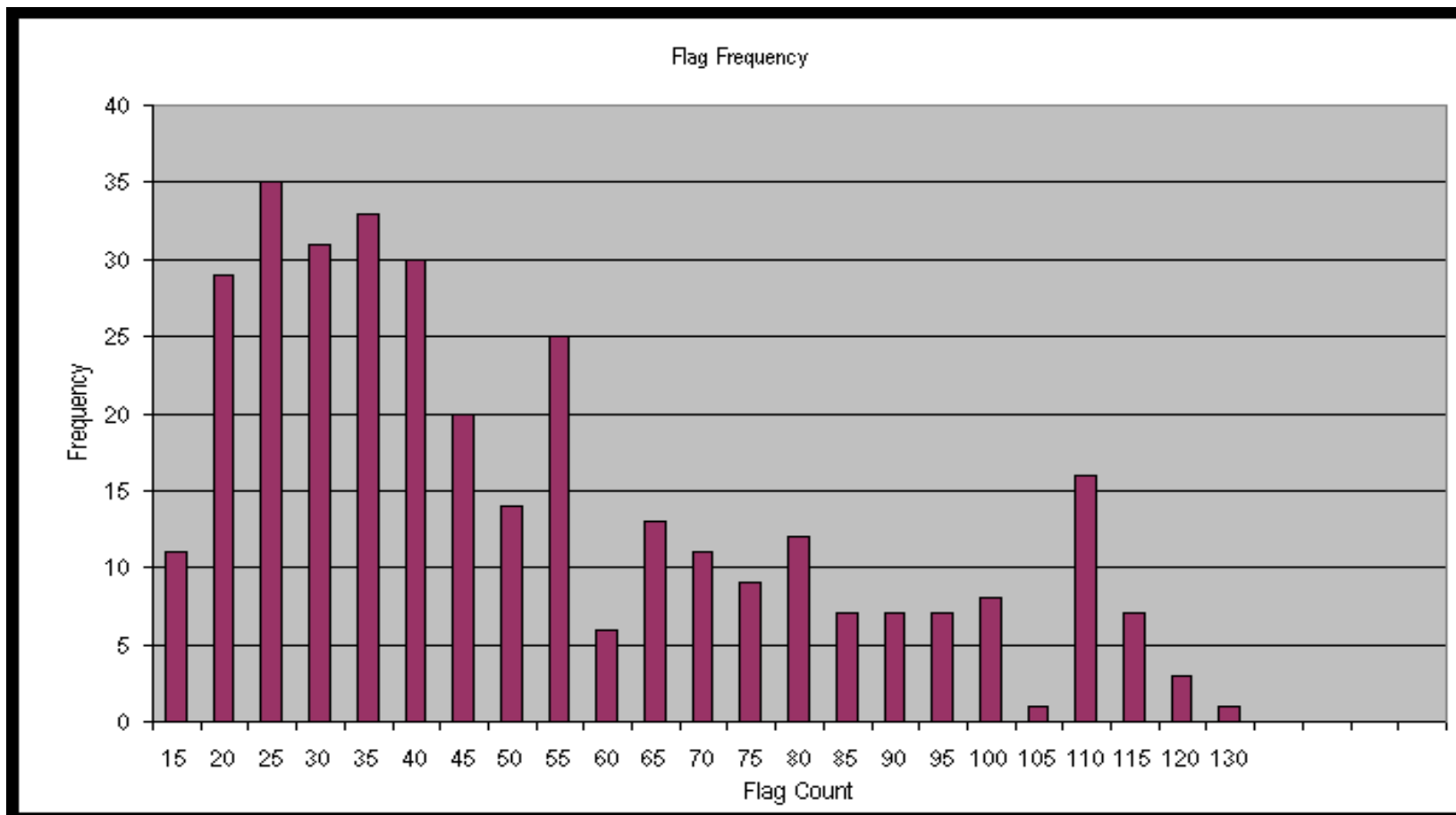
Provider Score Card: Peer Analysis

- Groups providers by specialty and size.
- Within those groups compares each provider overall and to the peer group.
- Comparisons made across seven dimensions
- “Flags” assigned to outliers.
- Number of “Flags” raises “flags” for non-competitive behavior.

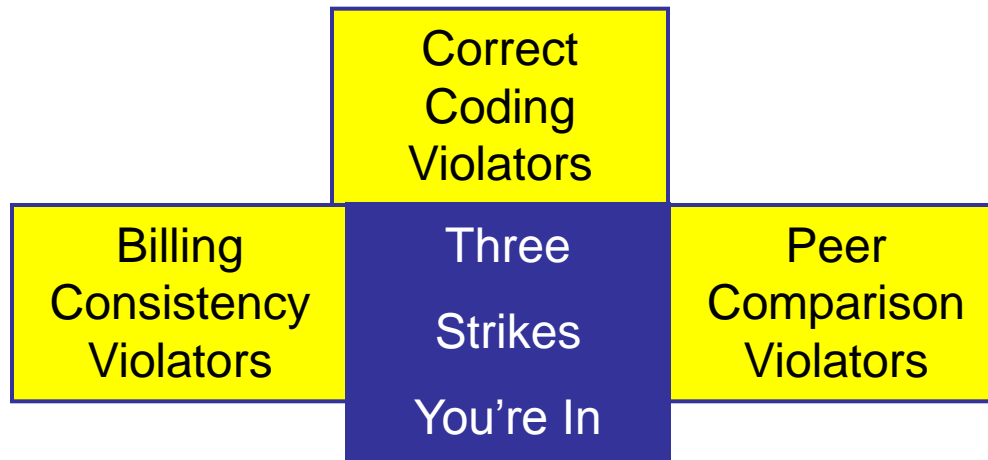
Dimensions	Possible Flags
• Billing	26
• Coding	21
• Coding History	13
• Encounters	21
• Patients	47
• Productivity	16
• Summary	14

TOTAL POSSIBLE FLAGS 158

Provider Score Card: Peer Analysis



Provider Score Card: Triangulate to Communicate



Communicate with the “Three-Strike” providers for competitive corrections.

Use the sentinel effect to maximize competitive results.

Work with your payer

Lead by example

Encourage others

For More Information
Contact

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