Driving Focused Physician Audits and Education Using Predicative Analytics

Presented by: Panacea Healthcare Solutions

Presented on: Tuesday, June 11, 2019
Disclaimer

• This material is designed and provided to communicate information about clinical documentation, coding, and compliance in an educational format and manner.

• The presenter is not providing or offering legal advice but, rather, practical and useful information and tools to achieve compliant results in the area of clinical documentation, data quality, and coding.

• Every reasonable effort has been taken to ensure that the educational information provided is accurate and useful.

• Applying best practice solutions and achieving results will vary in each hospital/facility and clinical situation.
About the Presenter

• Kathy Pride, RHIT, CCS-P, CPC, CPMA
• Senior Vice President, Coding and Documentation Services
• Panacea Healthcare Solutions, Inc.

• Kathy is a proven leader in healthcare revenue cycle management with extensive experience in management, project implementation, coding, billing, physician documentation improvement, compliance audits, and education. She is currently the Vice President of Coding and Documentation Services for Panacea Healthcare Solutions.

Goals/Objectives or Agenda

• Learn the benefits of predictive modeling for your compliance plan
• Understand how predictive modeling works
• Learn how to identify your compliance risk areas through predictive modeling
Top 3 Compliance Auditing Mistakes

• #1 – Jumping right in
• #2 – Not knowing the Auditor’s skill level
• #3 – Skipping education / implementation

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# 1 Jumping Right In

• Focus of your audit:
  • Identify areas of risk / outliers
  • Identify areas of opportunity
  • Focus chart selection
Government and Commercial Payer Audits

- What are they looking for?
- Should we be looking for the same thing?

Improper Payments

- Major causes of improper payments:
  - Medical Necessity
    - 40% of all funds recovered come from this category
    - E&M Level of service
    - LCD requirements not supported in documentation
    - Inpatient services hit hard
  - Incorrect coding
    - Supporting documentation does not support the provided/ordered service
      - Physician orders missing
      - Illegible/missing signatures
      - No documentation/documentation not sent
Government and Commercial Payer Audits

- How does the government and commercial payers audit?
  - OIG Work Plan
  - Medicare audits (CERT, RAC, ZPIC, Medical Review, etc.)
  - Predictive Modeling / Predictive Analytics

Audit Methodology

- Complex Review – CERT / RAC Process
  - Request for supporting documentation
  - Reviewed by an auditor

- Automated Review – Predictive Modeling
  - Technology advances that allow rules-based methodology used by payers to identify fraud
  - All providers are treated with the same degree of scrutiny
  - All claims reviewed with the same intensity
What is Predictive Modeling?

• Designed to identify provider behavior characteristics likely to influence or suggest future behavior
• Data is collected for relevant characteristics
• A statistical model is formulated
• Predictions are made and the model is validated
• Model may have a scoring formula that evaluates claims at the time of processing (before payment)

Real-time Assessments

• Real-time assessments of every single transaction
• High-risk, “outlier” claims are automatically rejected or sent to a fraud analyst for further review
• More efficient than the “pay and chase” methods used by Medicare (CERT)
• Evaluates current and historical data and assigns a score
• Identifies the likelihood a provider will have future unusual behavior patterns
Claims are Flagged

- Claims flagged for high-risk or out of the ordinary will require further scrutiny
- Scoring model provides multiple reasons why claims become flagged for review
- Flagging and application of codes is done in an automated manner

Comparative Analytics (the Geeky Part)

How do you compare?

- Evaluation and Management utilization
- Modifier utilization
- Acuity factor – “My patients are sicker than yours”
- Time-based analysis
  - OIG audit standard of 5,000 hours (13 – 19 hrs/day)
  - RVU work hours per code
Performing a Risk Assessment

- Track and understand patterns of billing errors
- Audit to identify risk areas:
  - Evaluation and Management code utilization review (especially hospital visits and level 4 and 5 office visits)
  - Analyze your CPT modifier usage (OIG target)
    - Overutilization of 25, 24, 59
    - Modifier 78 and 58
  - Coordination of care
    - Separate providers billing for the same service

Benefits of Performing a Risk Assessment

- Cost efficient way to review 100% of data
- Comfort in knowing how you are viewed by the FPS
- Time to mitigate risk before the government comes calling
  - Perform internal focused audits on outliers to validate or in-validate findings from assessment
  - Establish remediation and educational policies based on findings
- Also identifies opportunities of potential under-coding
- Higher ROI than a random sample probe audits
  - Only identifies some risk – most risk is never found in a probe audit
Physician Risk Analysis

- Uses predictive analytics similar to Fraud Prevention System and other statistical methods to predict risk
- Allows us to advise practices of potential risks by CPT code, Modifier, RVU, and Time
- Access to 100% of claims data for 200,000+ practitioners
- Creates the “perfect” average physician for each of 60 specialties
- Risk is determined through variance from the average physician

Recommended Compliance Audit Approach

- Perform Physician Risk Analysis
- Select cases based on identified areas of risk and/or opportunity
- Conduct baseline review
- Educate and create policies promoting continuous improvement
Evaluation and Management Dashboard

- Knowledge of your overall risk
- Segments the risk by visit type

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Risk Summary by Practitioner

- Scored 1 to 100
  - High risk is 85 to 100
  - Provides insight on Practitioners Areas of Risk

Risk Summary Table
The Best Defense is Offense

Don’t wait for the payer to audit you...
- Perform your own risk assessment
  - Know your patterns
  - Perform internal/external audits
  - Educate your physicians, coders, and billers

A Partnership with Panacea

- Evaluate Auditing/Coding Team
- Risk Analysis 100% Practitioners
- CLAIMS Auditor (Identify Claims and Audit Tool)
- Audit using Panacea’s Top Tier Consultants
- Education Plan for Practitioners
- Education Plan for Auditing/Coding
Questions & Answers

Panacea
A Partner for Mid-Revenue Cycle

- Education
- Consulting
- Software
- Delivering Results

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