Benchmarking For
Coding Outliers

How to Transition to a Risk Focused Audit Plan

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What We Are Going To Cover

1 The Current Audit Landscape

2 Reactive vs. Proactive Auditing

3 What to Benchmark

4 Understanding Peer Group Data

5 How to Calculate the Metrics

6 Incorporating Risk Thresholds

7 Constructing Your Audit Plan

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Big Data
Current Audit Activity

- Government has refined their data analytics for "Smarter" Investigations and prosecutions

- More techniques are being developed to target "high-risk physicians" at the federal and state level (cooperation)

- Healthcare investigations are "bipartisan" and will continue no matter who controls congress

- State Medicaid programs are doing more auditing and monitoring (examples)

- 60-day repayment rules (explain) (can't bury your head in the sand)
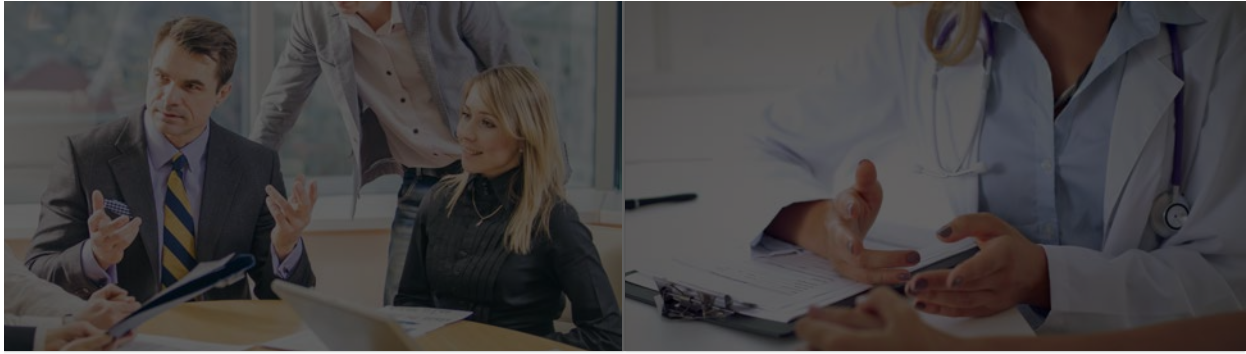
- Data transparency

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Who is AUDITING Healthcare Providers ?

An Example: Illinois

Type	Contractors	Comments
Medicare Administrative Contractors (MACs)	• National Government Services	• Process claims and provider payments • Reduce payment error rates
Zone Program Integrity Contractors (ZPICs)	• Cahaba Safeguard Administrators	• Focus on identifying fraud • All providers • Data mining and analysis
Supplemental Medical Review Contractor (SMRC)	• Strategic Health Solutions	• Nationwide claim review • All providers • Data mining and analysis
Comprehensive Error Rate Testing Contractors (CERT)	• Multiple contractors	• Annual audits to determine FFS error rates • All provider types
Recovery Audit Contractors (RACs)	• CGI Technologies (Medicare) • HMS (Medicaid)	• Identify over and under payment errors
DHHS – Office of Inspector General (OIG)	• N/A	• Audits and investigations • Annual Work Plan published
Department of Justice (DOJ)	• N/A	• Enforcement actions under the False Claims Act
Medicaid Inspector General	• IL Dept. of Healthcare and Family Services	• Aggressively using extrapolation for repayment liabilities

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Availability of Provider Data Online

Finding Outliers on the Internet

Live Example

# A Typical Trend:
Reactive Auditing

- The current reactive approach to auditing and monitoring

  - Just responding to audit requests

  - Conducting documentation reviews entirely in random

  - Benchmarking without a set action plan

- Reasons why this reactive approach is still being used

  - Data issues

  - Understanding benchmarking

  - Restricted FTE and tech resources

  - Fear of knowing
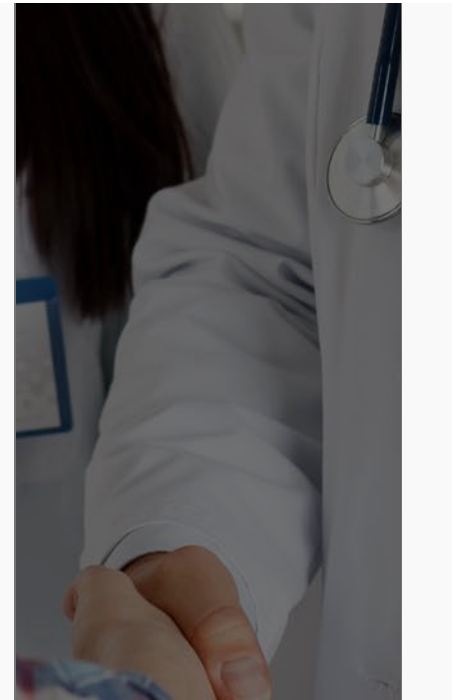
Becoming Proactive with Provider Benchmarking

- Develop benchmarking and data analytic capabilities that mirror methods being used by the OIG, DOJ, CMS etc.

  - Focus your limited auditing and monitoring resources towards providers based on risk

    - Reduce workload on the auditing team

      - Provide transparency throughout the organization and increase the effectiveness of strategic planning

        - Due diligence of new practices

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Understanding Peer Group Data

- CMS Utilization Raw Data

  - Sub-Specialty Bias

  - Payer Mix Bias

- MGMA – Surveys and Benchmarking Data

  - Understand Volume of Data Included (Total / Specialty / Locality)

- CMS Utilization & Payments Data

  - Line Item Data Not Included on Services Performed on Small   Number of Patients

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20	Physician/Orthopedic Surgery	207X00000X	Allopathic & Osteopathic Physicians/Orthopaedic Surgery
		207XS0114X	Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Adult Reconstructive Orthopaedic Surgery
		207XX0004X	Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Foot and Ankle Surgery
		207XS0106X	Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Hand Surgery
		207XS0117X	Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Orthopaedic Surgery of the Spine
		207XX0801X	Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Orthopaedic Trauma
		207XP3100X	Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Pediatric Orthopaedic Surgery
		207XX0005X	Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Sports Medicine

Example of CMS Sub-Specialty Bias

- Understanding the make-up of the peer group data is critical when attempting to make determinations on the results

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Benchmarking Recipes
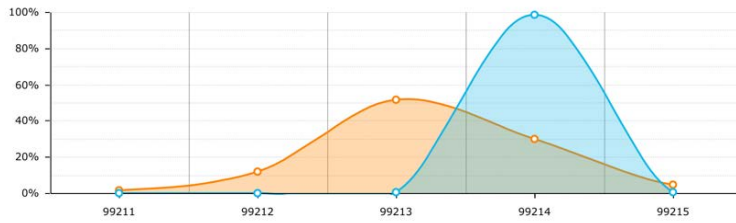
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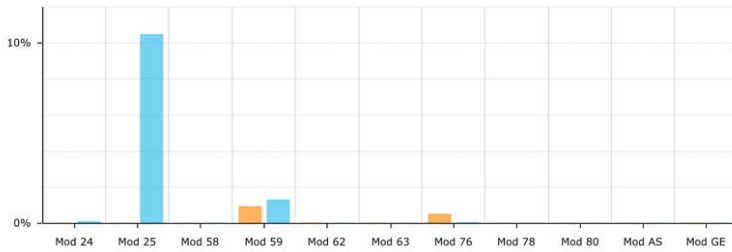### Basic Benchmarking Recipe

- E/M level coding peer comparisons
- Modifier usage

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Advanced Benchmarking Recipe

- Top billed procedure analysis
- Medicare payments analysis
- Harvard RUC time study

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E/M Level Coding Peer Comparisons

	National Peer	1st Quarter 2015					
	Util.	Util.	Vol.	Diff.	Gross $	Adjusted $	Work Rvu
99211	1.79%	0.00%	0	-2%	$0.00	$484.15	0
99212	11.79%	0.22%	3	-12%	$131.04	$6,816.14	1.44
99213	51.42%	0.44%	6	-51%	$440.40	$50,473.94	5.82
ⓘ 99214	30.14%	98.59%	1330	68%	$143,812.90	($99,848.47)	1995.00
99215	4.86%	0.74%	10	-4%	$1,457.20	$8,096.41	21.10

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Modifier Usage

		National Peers	1st Quarter 2015		
	Description	Util.	Util.	Vol.	Diff.
Mod 24	Unrelated E&M in Post-Op Period	0.00%	0.09%	3	0.09%
ⓘ Mod 25	Significant, Separate E&M on Same Day	0.02%	10.50%	363	10.48%
Mod 58	Staged/Related Procedure in Post-Op Period	0.00%			
Mod 59	Distinct Procedural Service	0.96%	1.33%	46	0.37%

Focus On
- 24
- 25
- 58
- 59
- 62
- 63
- 76
- 78
- 80
- AS

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	Fee	Rank	Util.	Vol.	Diff.	Gross $	Rank	Util.
			1st Quarter 2015				**National Peers**	
🛇 99214	$108.13	1	12.96%	1330	7.60%	$143,812.90	3	5.36%
🛇 93306	$230.22	2	9.08%	932	0.00%	$214,565.04		0.00%
36415	-	3	6.23%	639	5.66%	$0	18	0.57%
85610	-	4	4.72%	484	0.00%	$0		0.00%
36416	-	5	3.07%	315	0.00%	$0		0.00%
80048	-	6	2.94%	302	0.00%	$0		0.00%
🛇 99223	$204.44	7	2.47%	254	0.00%	$51,927.76		0.00%
93000	$17.19	8	2.28%	234	0.00%	$4,022.46		0.00%
$ 99231	$39.74	9	2.28%	234	0.00%	$9,299.16		0.00%
🛇 93351	$273.90	10	2.26%	232	0.00%	$63,544.80		0.00%
🛇 78452	$493.02	11	2.21%	227	0.00%	$111,915.54		0.00%
93293	$53.71	12	2.18%	224	0.00%	$12,031.04		0.00%
80061	-	13	2.12%	218	0.00%	$0		0.00%
84450	-	14	2.08%	213	0.00%	$0		0.00%

*Top Billed
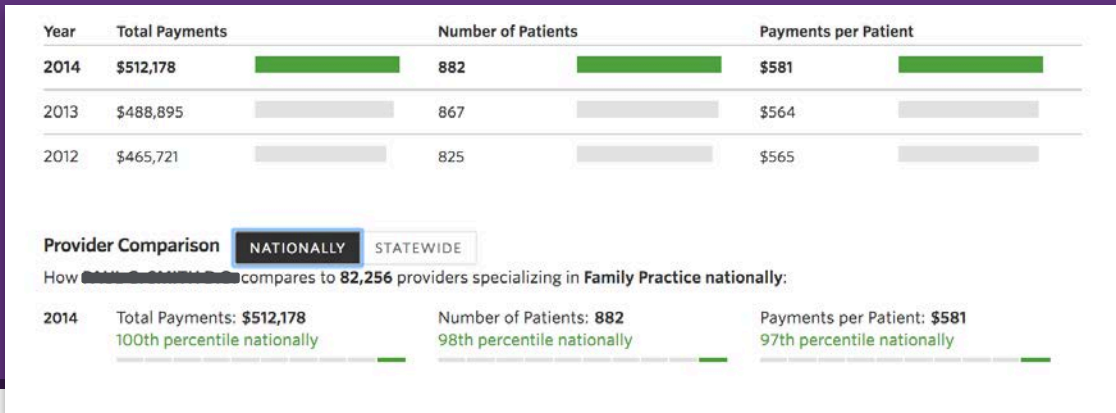Services Analysis*

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Understanding
Medicare Payment Data

- CMS released a data file containing information on Medicare payments made to providers.

- Years Currently Available
    - 2012
    - 2013
    - 2014
    - 2015   - 2016

- Key Benchmarking Analytics
    - Total Payments
    - Number of Patients
    - Payments Per Patient

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Medicare Payment Analysis

Year	Total Payments		Number of Patients		Payments per Patient	
2014	$512,178		882		$581	
2013	$488,895		867		$564	
2012	$465,721		825		$565	

Provider Comparison [NATIONALLY] STATEWICE

How ███████████ compares to **82,256** providers specializing in **Family Practice nationally**:

| 2014	Total Payments: **$512,178**	Number of Patients: **882**	Payments per Patient: **$581**
	100th percentile nationally	98th percentile nationally	97th percentile nationally

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Highly Productive Physicians

- Special care must be taken with "highly productive" physicians
  - *Example:* Physicians with annual wRVUs > 90th% of industry benchmarks
  - *Example:* Physicians that have billed a high number of hours based on Harvard RUC time study
  - Specialties such as cardiology, neurosurgery, orthopedics

- Evaluate need for additional audit procedures to evaluate
  - Medical appropriateness of services
  - Adherence to industry professional standards

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Finding Outliers through using Risk Thresholds

- Creates a standardized approach to know when a provider is an outlier

  - Streamlines the analysis process by filtering out the providers that are not a risk

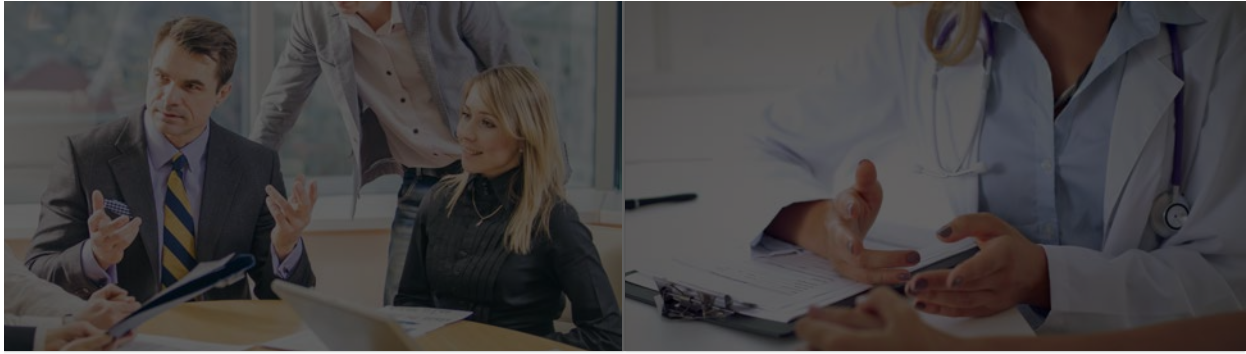   - Scorecards can be created by combing multiple analysis thresholds together

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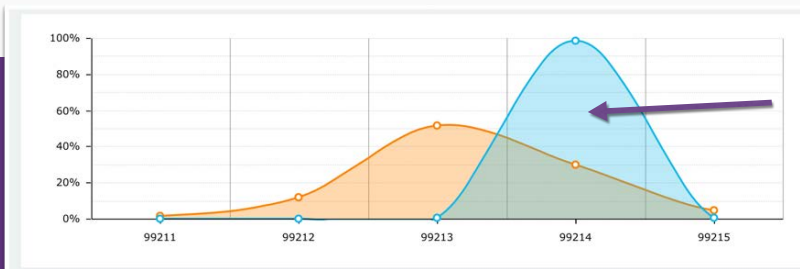
Example of E/M Threshold

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How Thresholds Help Prioritize

Provider	Specialty	At Risk CPT	CPT Vol	CPT Util.	CPT Diff.
JULIA A MATTSON MD	Obstetrics & Gynecology	99214	1330	98.59%	68.00%
XIANG LIU MD	Diagnostic Radiology	99213	1025	89.75%	54.00%
REZA J DAUGHERTY MD	Diagnostic Radiology	99213	1792	74.14%	38.00%
MINCHUL FRANCIS SHIN MD	Diagnostic Radiology	99213	1991	70.06%	34.00%
TIMOTHY JAMES EDEN CRNP	Nurse Practitioner	99214	1213	67.02%	29.00%
LEONARD ROSENBAUM MD	Diagnostic Radiology	99214	568	64.91%	41.00%
SARA C GAVENONIS MD	Diagnostic Radiology	99213	1875	64.32%	28.00%
KRISTINA SIDDALL MD	Diagnostic Radiology	99213	2048	63.82%	28.00%
RALPH P IERARDI MD	Vascular Surgery	99215	48	32.65%	30.00%

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How Benchmarking & Thresholds Work Together

Category	Cpt	Description	Applicable Util.	Gross $
> 5K Hours			0.00%	$0.00
New Office	99204	OFFICE/OUTPATIENT VISIT NEW	100.00%	$15,616.22
Est Office	99214	OFFICE/OUTPATIENT VISIT EST	98.59%	$143,812.90
Init Hospital	99223	INITIAL HOSPITAL CARE	93.73%	$51,927.76
Subs Hospital	99231	SUBSEQUENT HOSPITAL CARE	50.43%	$9,299.16
New_Est Consults	99244	OFFICE CONSULTATION	90.67%	$12,563.00
Excessive Billing	93351	STRESS TTE COMPLETE	2.26%	$63,544.80

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Constructing a Provider Benchmarking Scorecard

View Excel Example

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Creating an Audit Plan

- Understanding the Goal of the Audit
  - Yearly Compliance Coding Review
  - Due Diligence Project
  - Highly Compensated Providers
  - Outside Sources

- Build Prioritization Methodology

1. What is the goal of the audit?
2. What is your resource capacity?
3. How do we operationally conduct audits?
   1. By Facility?
   2. Are auditors are assigned specific groups of providers?

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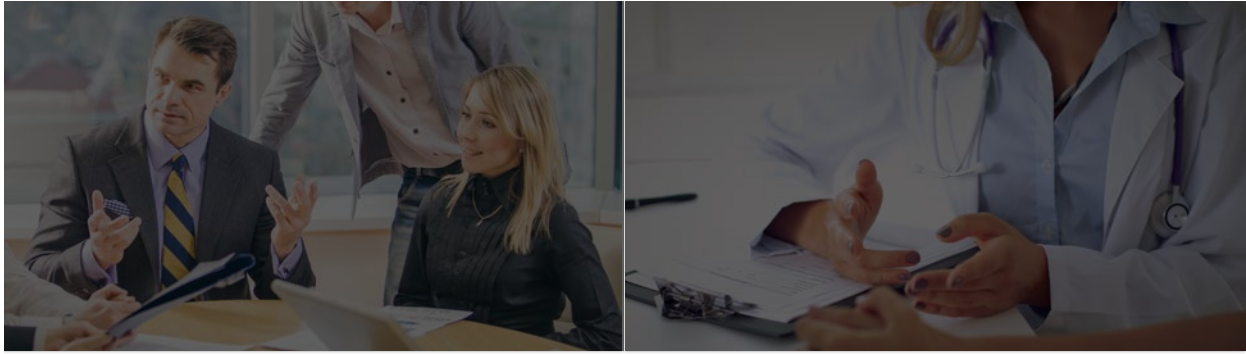
Actual Audit Plan Examples Utilized by Health Systems

View Excel Example

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Using Benchmarking for Acquisitions – Due Diligence

- Benchmarking of data is key initial step in due diligence for physician employment or acquisitions

    - Identify potential risks prior to closing

        1. Go or No Go

    - Identify compliance issues

    - Identify opportunities for integration

        1. Education
        2. Coding and Billing Hold

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Audit Odds & Ends _____

- Sampling process/consideration:
  - Retrospective claims (prior 3 months)
  - Non-statistical sampling e.g. judgment sampling
  - Population is stratified (stratums) based on benchmarking
  - Sample size – small samples based on risk
  - Extrapolation – NONE
    1. Since the sample size was controlled by the auditor it cannot be measured
- Analysis of Sample
  - Provider documentation in comparison to CPT codes
  - Accuracy of diagnoses
  - Accuracy of place of service codes
  - Functionality an use of the EMR system

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Questions & Contact Information

Please reach out if you have questions or need help starting risk assessment benchmarking and building a proactive audit plans.

Jared Krawczyk

Director of Analytics

jkrawczyk@nektaranalytics.com

www.nektaranalytics.com

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