Michigan Health Agency Goes From Pay And Chase To Detect And Prevent

With an estimated $600 to $800 billion of waste in the U.S. healthcare system annually, payment integrity has become vital to our economic and health delivery concerns nationwide.

Fraud alone accounts for 19 percent of those wasted healthcare dollars. Add waste and abuse and it becomes harder to tell just how much money is being thrown away that could serve imperative needs elsewhere.

Historically, healthcare agencies have had to rely on the "pay and chase" model in which a Medicaid provider, for example, is paid and then chased down later for a refund once an error or fraud is detected. Far too often, those debts are never recouped.

By utilizing information technology, healthcare agencies can now operate within an entirely new paradigm by proactively preventing fraud, waste and abuse (FWA) before they have the chance to take place.

Recently at the annual Medicaid Enterprise Systems Conference, Michigan's Department of Community Health (MCDH) described how they are using technology to stay ahead of the next scam or costly mistake. MCDH has implemented a Data Mining and Machine Learning approach in detecting improper billing during the Medicaid claims adjudication process by partnering with CNSI to implement the ClaimsSure® system.

ClaimsSure® uses a predictive probability analysis that allows for real time detection of possible improper billing in a pre-payment mode, rather than in the traditional post-payment process.

As part of this new initiative, MCDH has established a task force that investigates questionable claims and then makes a final claim status determination. Working with this new statistical analysis model, investigators are uncovering patterns in over utilization, benefits abuse, and other over payments and improper billing practices that are leveraged to identify other instances of FWA.

Since it went live in February of 2013, ClaimsSure® has identified multiple high dollar claims and helped prevent payouts for improper billing. As MCDH and CNSI continue to partner on this high-tech solution, we look forward to seeing just how much money and administrative time can be saved by switching to a new preventative approach to FWA.

What are other examples where IT presents solutions that save healthcare dollars? Tweet @CNSICorp to let us know!

Follow CNSI on Twitter.