

PACIFIC BLUES HEALTH PLAN USES FRAUD SCOPE TO IDENTIFY MILLIONS IN OVERPAYMENTS FROM A SINGLE SCHEME

A leading Blues healthcare payer in the Pacific U.S. needed a more robust AI solution for mitigating fraud, waste, and abuse (FWA) within their insurance network. They sought a partner and platform that would improve SIU operations and outcomes, including:



Meeting compliance mandates



Detection of outlier claims and behavior



Better usability, efficiency and FWA recoveries

Of particular interest to the health plan was being able to use AI to maximize FWA recoveries and identify previously unknown FWA schemes. Not only was their original platform not user friendly, but the analyst team needed a faster and more reliable solution to drive better outcomes.

Through the use of Codoxo’s Fraud Scope FWA platform and its leading AI detection technology, the SIU team quickly identified one specific unknown scheme for high utilization of physician time billed. Through further investigation, the SIU was able to drill down to expose the providers attributing to the exposure and pinpoint the highest paid exposure outliers.

One particular specialist created significant red flags for his high level of potential exposure for upcoding, suspicious trends surrounding specialty billing anomalies, and the overuse of a specific procedure code not expected for the particular specialty.

This provider put patient safety at risk and created substantial projected risk exposure for the plan, including:

- Exceeding over 24 hours per day of “Physician Time” during the height of COVID-19 lockdown (known as “impossible hours”)
- High exposure tied to potential upcoding
- Suspicious trends flagged due to outlier billing codes for specialty

BY LEVERAGING THE DATA AND ANALYTICS IN FRAUD SCOPE, THE HEALTH PLAN BEGAN THEIR INVESTIGATION PROCESS, WHICH INVOLVED REQUESTING MEDICAL RECORDS FROM THE PROVIDER AND VALIDATING THEIR INITIAL FINDINGS. ADDITIONALLY, THE HEALTH PLAN EXPOSED THAT THE DIAGNOSES AND VISITS WERE NOT MEDICALLY NECESSARY AND PATIENTS WERE EXPOSED TO PATIENT SAFETY RISKS. THIS SINGULAR CASE UNCOVERED THE FOLLOWING:



\$2M+

in estimated overpayments



\$800K+

in potential outlier upcoding for medically unnecessary E/M visits



\$1M+

\$1M+ in suspicious trends for outlier billing codes billed as a medical benefit

Not only does FWA significantly impact a healthcare payer’s bottom line, but also puts members at risk for patient safety concerns. With Codoxo’s partnership and the Fraud Scope platform, this Blues payer was able to identify outlier provider behavior, mitigate further bleeding and member escalations, and work with providers to educate them on health plan compliance coding and billing guidelines and policies.