CODOXO
AI Solutions for Healthcare

WHITE PAPER

The Quest for Modernized Healthcare Payment Integrity: A Case for AI-Driven Provider Eduction

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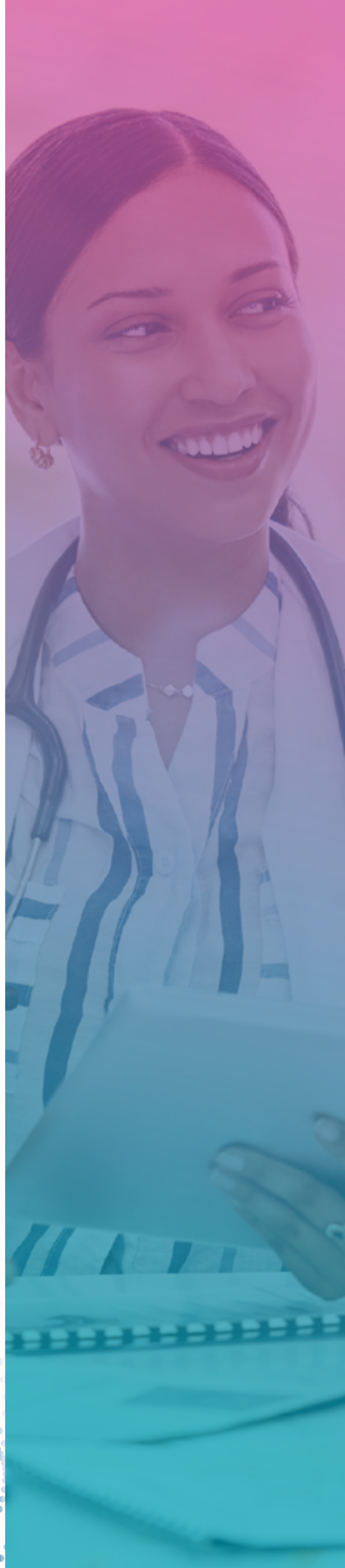

Overview

The heat is on for healthcare executives who face enormous pressures as they battle rising costs of patient care, ongoing regulatory changes, and increasing expectations for better experiences for both patients and healthcare workers. While the U.S. healthcare system appears eager to mature, it remains held back by aging technology and a slower-to-adapt culture.

Yet the picture is not entirely pessimistic – it's rather the opposite, as promising new technology trends are reshaping all aspects of healthcare, we are seeing significant strides made within the payment integrity sector.

This white paper explores the advancements and benefits of adopting AI-based payment integrity solutions, including its use for more effective and collaborative provider education approaches. Healthcare payers play a big role in helping to bend the cost trend down and as new technologies advance, they are seeing the significant impacts and ROI AI technology can bring to ensuring accurate payment integrity and a more affordable and effective healthcare system.

Smarter Healthcare Cost Containment: No Longer Optional

There's urgency for healthcare organizations to invest in innovative technology solutions that ease highly complex and inefficient payment processes and other administrative functions. Researchers from McKinsey and Harvard estimate that a quarter of U.S. healthcare overhead costs – estimated at $265 billion – could be cut down with interventions that simplify processes and reduce unnecessary spend. Of this, $35 billion could be cut with better inter-organizational collaboration, which experts say could be addressed by "building strategic payer-provider platforms with proactive data-sharing."

The U.S. healthcare system could save $1300 per adult by adopting new tools and platforms that simplify healthcare administration, making it easier for all Americans to engage in their healthcare.

Forward-thinking payment integrity leaders are already embracing such technologies. Healthcare payers, agencies and pharmacy benefits managers (PBMs) are reporting success and ROI with unified data platforms that generate measurable operational efficiencies, cost prevention and savings. The most advanced platforms include a new frontier of AI-based provider education solutions.

For plan members, these behind-the-scenes improvements support more affordable coverage. As savvy health plan members shop around for cost-effective options, standout insurers will be those that use the latest emerging technologies to contain costs through more accurate payment integrity and by staying ahead of fraud schemes and errors that contribute to sky high healthcare costs.

"Prospective payment integrity decreases administrative burden for both payers and providers by significantly improving the accuracy of the initial claims determination and payment. However, many payment integrity programs only measure post-payment recovery processes and amounts - creating a KPI conflict. Evaluated in isolation, effective prospective payment integrity will negatively affect traditional retrospective KPIs"

- GARTNER, Quick Answer: What KPIs Do U.S Healthcare Payers Track for Payment Integrity Programs? Austynn Eubank, Mandi Bishop, 12 April 2023

Payer-Provider Collaboration Looks Different Today

It's a given that ecosystem silos must be broken down to make the business of healthcare more efficient and effective. Today, technology is playing a major role in helping to break down those silos. It's no secret providers and health plans are often faced with a lack of two-way communication, a single view into the same data and alignment on performance metrics and outcomes. Within the payment integrity space, historically putting provider coding and billing performance data into the hands of network providers has been challenging and often impossible. A lack of unified tools, disparate data and ineffective methods of communications all contribute to the known silos. This impacts the bottom line of payers, contributes to rising healthcare costs, creates abrasion and can lead to major patient safety risks.

With more payers adopting cloud-based, healthcare-compliant analytics platforms, payment integrity leaders are tackling these challenges, including provider abrasion, in effective new ways. Next-generation artificial intelligence (AI) and machine learning technology are capable of helping to ensure payment accuracy and detecting fraud, waste, and abuse with unparalleled speed and precision. Through advanced, yet easy-to-use and interpret tools and insights, healthcare organizations are now empowered to automate nearly every aspect of provider communication and compliance, case remediation, and coding and billing insight and best practices. Labor-intensive, manual, and siloed efforts are being replaced by unified data access, transparency, insight, and control as new payer standards are achieved for collaborating with providers.

A New Frontier for Payment Integrity: Empowering & Collaborating with Providers

More healthcare payers are augmenting post-pay strategies by implementing pre-pay programs to avoid making payments in cases of FWA to further safeguard their bottom lines. This strategic move of "shifting left" to address the entire claims payment spectrum dramatically increases in momentum as innovative provider education solutions are introduced as part of a holistic healthcare cost containment program.

By transforming pre-claims submissions, AI-driven provider education represents the next frontier of what's possible with unified data platforms in healthcare. And it's already underway: payment integrity, SIU, and provider teams are seamlessly engaging to prevent claim errors before they start.

As this shift-left momentum continues, healthcare payment systems are poised to reach an inflection point. A growing focus on increased efficiency and cost savings, better data interoperability, improved systems integration, and an overall shift-left payment focus – is steadily turning the healthcare ship towards better business outcomes, improved costs, and higher provider/payer/patient satisfaction.

Three Key Benefits of AI-Driven Provider Education for Improved Payment Integrity & Provider Abrasion

Here are three key benefits that AI-driven provider education offers for improving healthcare payment integrity, reducing provider-payer abrasion, and lowering overall costs.

#1: Proactive, comprehensive and automated provider education programs

Within payment integrity programs, a major focus of provider education is to proactively reduce and eliminate coding errors that contribute to rising healthcare costs and delayed payments to providers. Today, many tools are reporting and analyzing a limited set of codes, often restricted to Evaluation and Management (E&M) codes. New, advanced solutions can ingest, analyze and report on all code sets for a more comprehensive view of provider coding and billing patterns, including the ability to analyze all claim types – beyond E&M codes to include nearly 10,000 Current Procedural Terminology (CPT) codes used for medical billing purposes.

Provider peer groups are then created using multiple dimensions to compare providers to their peers. A baseline is established and used to detect outlier provider behavior and create behavior-based themes for the health plan to quickly view and act on problematic trends (i.e., telehealth, add-on codes, psychotherapy).

Payment integrity teams can deploy automated provider education campaigns that deliver clear communication to outlier providers through preferred communication channels. Historically, this is where provider education ends. Today however, providers are empowered to improve coding accuracy through self-service provider portals that educate providers on coding guidelines, enable self monitoring and provide performance and claim insights. No longer do providers need to wait on their payer partners to deliver them performance reporting. The ability for providers to self-audit and monitor is game changing. At any time, providers can access their portal to monitor historical trends, resolve coding errors and help them avoid costly and lengthy audits. From these insights, forensic AI analysis can identify new trends and proactively communicate with providers to avoid coding mistakes made during the billing process. Users can prioritize top egregious providers based upon predetermined thresholds using a dynamic baseline of what good provider behavior looks like and benefit from rapid insights early in the payment lifecycle.

#2: Lower pre-claim submission costs

Bringing down pre-claim costs is a new frontier for protecting a payer's bottom line. Self-learning AI can be used to deliver rapid insights into areas of opportunity. It starts with AI ingesting and analyzing all claims, including professional, facility, and pharmacy for the most holistic view. It then provides easy to understand analysis and assigned risk scores that can be reviewed holistically across the network.

Given access to the same visual, engaging, interactive dashboards and workflow screens that healthcare payers use, provider billing teams are able to drill down into the data to better understand payment outliers and anomalies. With peer benchmarking, providers can view how they compare to like providers based on multiple dimensions. Payer-provider communication is streamlined and simplified and easily accessible in a shared digital portal. With new analytics and insights at their fingertips, providers can begin to create behavior change and better align with coding, billing, and payment best practices.

Limited time and resources are a challenge for every organization, especially in healthcare. That's why an AI-powered provider education program infused into everyday operations offers a much better return and impact on savings. Through automated pre-claim monitoring, providers can address non-compliant behaviors earlier in the payment cycle – reducing overall payment delays, costly audits, and wrongful claim submissions across the payment lifecycle.

#3: Reduce payer-provider abrasion

It's the truth: Payer-initiated medical billing audits and investigations cause considerable friction with providers. Typically handled as a manual, ad-hoc effort, the process looks something like this: an SIU or payment integrity team member manually spots a coding or billing anomaly. Next, they generate a physical letter to the provider, kicking off a lengthy, resource-intensive medical billing review process that puts payers and providers at odds with each other. Not only can this feel threatening to providers, and lead to numerous payment delays, but it also burdens healthcare payers with resource draining activities. Higher costs and overhead mean that organizations must divert extra resources that could otherwise be used to serve their members in more meaningful ways.

Fortunately, cloud-based healthcare AI is helping to drive long-term behavioral change with providers. Through an easily accessible online portal, providers are empowered to self-monitor their historical trends, behavioral insights, and peer-to-peer comparisons through timely alerts and notifications about coding and billing outliers. Providers appreciate this approach, as they want to be notified of their coding issues before claims and payments are impacted or an audit is initiated. No longer in the dark from siloed data, providers are responding positively to payment transparency, as it allows them to self audit and improve coding accuracy.

Enhanced provider education reduces overall fatigue across the healthcare payment cycle. It reduces manual efforts, creates more streamlined and cost-effective workflows, and provides a more conducive environment for early warning and education around payment issues before traditional PI activities are warranted.

When empowered with actionable data and timely insights, most provider billing teams are willing to modify behaviors and fix erroneous billing practices. They appreciate early awareness into performance and trends and are responsive to using easy-to-use tools that don't add administrative burdens.

A Modern Payment Integrity Toolbox: What to Look For

Payment integrity programs are modernizing with provider coding and billing education tools such as Provider Scope, which offer more transparency and accountability throughout the payment lifecycle with less friction between healthcare payers and providers.

Provider Scope and its provider portal is the only solution that:

Proactively and digitally shares trends and insights with providers and billing staff

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Enables providers to self-audit and monitor their coding and billing patterns for early behavior change

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Comprehensively identifies issues across all codes

Quickly and accurately identifies outlier providers and codes through AI-based technology

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Helps payers build trusted partnerships with providers and reduce provider abrasion

Case Study: AI-Based Provider Education & Portal Helps Health Plan Achieve $3-4 PMPY in Savings

Overview

A forward-looking and innovative health plan wanted to take its FWA performance to the next level by adopting AI-based provider education and compliance within its SIU. They were looking to improve billing behavior upstream in the payment process for pre-claim savings, cost avoidance and improved billing and payment accuracy.

The plan also sought to incorporate provider education into their overall payment integrity program as a standard of business while developing strong provider partnerships with little to no abrasion.

Solution

In combination with their current FWA platform, Fraud Scope, the health plan's SIU implemented Codoxo's Provider Scope solution to identify providers with outlier coding and billing patterns and learn who may benefit from further education.

The plan started with an initial limited pilot program that included:

- The top 5% of egregious providers
- Focused on one coding theme only
- Outreach letter campaign to providers
- Provider access to a self-service provider portal for peer-to-peer comparison reporting
- Achieved $3-4 PMPY in annual savings based on plan policies

Outcomes

This limited scope pilot program realized the following in four short weeks:

No provider abrasion

15% of providers utilized the portal upon receipt of an education letter

Smooth rollout and open communication

Achieved $3-4 PMPY in Savings

After 3 months, the plan has expanded the scope beyond the initial pilot to include the top 10-15% of egregious providers and will also expand to additional themes.

Best Practices for Getting Started

Healthcare organizations now possess the ability to transform the provider experience by breaking down silos and enabling data access, transparency and insight across the payment spectrum, driving better healthcare outcomes.

But how to put these new technologies and methods into practice? This convenient "checklist" guides healthcare payers and agencies to advance their provider education and payment integrity programs to the next level.

1. Use a Comprehensive Data Strategy
2. Monitor Provider Engagement and Involvement
3. Use AI-Powered Technology to Create Automation and Efficiencies
4. Create Transparency Across All Key Stakeholders
5. Continuously Improve and Evolve Programs and Campaigns

1. Use a Comprehensive Data Strategy

Most fraud detection systems are limited in the types of claims they can ingest and integrate. Looking to a system that can ingest and analyze all claim types, including professional, facility, and pharmacy claims will create a holistic view across the payment spectrum. Excluding one claim type from your analysis will create a gap in your view of provider practice patterns and create missed opportunities to promote coding best practices and reduce costs pre-claim.

Additionally, broaden claim type analysis beyond basic E&M codes and modifiers. Today, most solutions used to gain insight into provider billing and coding performance and then deliver education back to providers are limited in the type of codes that can be analyzed, commonly restricted to E&M codes. What this creates is a highly narrow view for both the health plan and the provider. Finding an AI-based platform that analyzes complex codes and shares an expanded view of coding and billing patterns and performance with providers is foundational to true and impactful behavior change.

2. Monitor Provider Engagement and Involvement

Giving providers the ability to log into an online portal with visually rich and easy to interpret graphs and charts that can be compared by geolocation or specialty – along with correct coding guidelines – represents a considerable breakthrough in payment integrity.

Take time to monitor and communicate with providers who are not engaging with or using the online portal, especially after receiving a letter about outlier behavior.

If there is no engagement by the provider, proceed to develop a plan for a more aggressive approach if necessary (i.e., provider outreach, email, letter, etc.)

3. Use AI-Powered Technology to Create Automation and Efficiencies

Generate timely insights about coding standards, mandates, and best practices, including peer benchmarking, which helps providers avoid costly errors and mistakes.

Create true peer groups using multiple dimensions to compare providers; ensure that a baseline for each group is established.

Dive even deeper into each provider and view peer group performance to allow reviewers to determine further appropriate action.

Use system-generated themes and include any identified egregious billing patterns aggregated into common themes.

Quickly and easily create customized provider campaigns based on theme data and then review within the same system.

Provide reviewers with the top themes based on paid exposure amounts; this should include flagged providers and claims contributing to the outlier behavior.

Providers should be granted access to a unique portal that educates them on coding guidelines, enables self-monitoring, and offers claim insights.

Drill into each theme to understand contributing factors, providers, and exposure that could help a reviewer determine if action is needed.

Providers should monitor historical trends and resolve coding errors – along with lengthy, costly, and abrasive activities.

4. Create Transparency Across All Key Stakeholders

Successfully engage with providers by reaching them on the right channel and making it easy for them to access the required information.

Create a collaborative environment that includes all the right stakeholders.

Get feedback from other providers; also note that they are more likely to be engaged if given a voice and included in the overall payment integrity process.

Bring in teams and members to ensure there is uniform engagement.

5. Continuously Improve and Evolve Programs and Campaigns

Systems are ineffective without a “virtual cycle” of continuous innovation and improvement, and this especially holds true in the realm of PI and provider education.

Establish a set of benchmarks for determining who moves on and off “the education list.”

Determine which providers to monitor and campaign around to ensure the right benchmarks for monitoring outlier behavior, anomalies, etc.

Build a set of themes to evaluate and campaign around for continual improvement.

Advocating for Better Healthcare, For All

The Quadruple AIM is a widely accepted healthcare framework for improving population health and industry performance worldwide. Its four pillars focus on improving each of the following:

- Quality of care
- Affordability
- Patient Experience
- Workforce well-being

This fourth pillar has become even more important since the COVID-19 pandemic, with 54% of nurses and physicians and up to 60% of medical students and residents reported suffering from burnout, according to a Surgeon General Advisory in 2022.

Despite the healthcare industry's historical problems of fragmentation and complexity, technology is connecting payers and providers in new ways: streamlining workflows, easing communications, and enabling greater transparency.

Codoxo's Unified Cost Containment Platform empowers healthcare payers to seamlessly collaborate with internal teams and departments, and also more broadly across the healthcare landscape. By helping providers focus where it matters most, Codoxo supports Quadruple Aim goals by empowering providers with impactful insights that lead to improved patient outcomes; reduced healthcare costs and lower total cost of care. This leads to the ability for providers and cost containment teams to achieve better outcomes, use more efficient tools, and make their daily jobs easier.

In Summary

Achieving the right balance of care quality, affordability, and improved experience remains healthcare's priority, challenge, as well as opportunity.

While it is exciting to witness the transformative impact of technology within healthcare – i.e., cancer detection, digitization of health records, and virtual doctor visits – so much more can, and should, and must be done to affect long-term change for the better.

Today, addressing the billions of dollars lost each year to fraud, waste, and abuse and the $265 billion in surplus administrative costs is possible. The question is, what are we waiting for? Today's AI technology offers a remarkable ability to do what seemed impossible: break down silos, automate laborious tasks, improve workflows, affect behavioral change -- and the list goes on.

When it comes to improving payment integrity, healthcare companies are urged to explore and adopt new provider education solutions that fuel insight, decision-making, and satisfaction while fostering collaboration and trust between payers and providers. By doing so, not only will they benefit from cost avoidance measures that improve their bottom lines, but also they will signal their next-step contribution to the Quadruple Aim.

We invite you to join Codoxo in making a lasting influence on healthcare affordability and effectiveness. That's seeing tomorrow, today.

Assessing Your Readiness

If you are part of an SIU or Payment Integrity team seeking to improve your healthcare cost containment, consider these questions while evaluating provider education solutions in the market:

1. Is your current cost containment program delivering the ROI you need?
2. Is your organization ready to embrace the technical and cultural changes required to adopt a shift-left approach to cost containment?
3. What barriers are keeping your payment integrity team from investing in AI solutions?
4. Are you looking to improve collaboartion with your providers?
5. Are your current provider education programs delivering results?

About Codoxo

With a mission to make healthcare more affordable and effective for everyone, Codoxo is the premier provider of artificial intelligence-driven solutions and services that help healthcare companies and agencies proactively detect and reduce risks from fraud, waste, and abuse and ensure payment integrity. The Codoxo Unified Cost Containment Platform helps clients manage costs across network management, clinical care, provider coding and billing, payment integrity, and special investigation units. Our software-as-a service applications are built on our proven Forensic AI Engine, which uses patented AI-based technology to identify problems and suspicious behavior far faster and earlier than traditional techniques. Codoxo is a Fierce Healthcare Innovation Award winner and has been recognized by the Inc. 5000 Regionals list for growth. Our solutions are HIPAA-compliant and operate in a HITRUST-certified environment.

To learn more about Codoxo and how our team is transforming healthcare, please visit https://www.codoxo.com. To speak to a Codoxo team member, please contact us at info@codoxo.com.

For Extra Reading

Check out our other Payment Integrity and Provider Education resources:

- Blog: 5 Trends & Predictions for Healthcare Cost Containment in 2023
- Blog: Inaugural Customer Conference Delivers Key Insights, Practical Applications, and a Glimpse into the Future of AI Payment Integrity and FWA
- Blog: 5 Best Practices for Optimizing Provider Education & Compliance Programs through AI-Driven Solutions
- Blog: 3 Trends Shaping the Payment Integrity Market – And How Codoxo is Playing a Major Role
- Blog: Smarter, Faster, Better – A Modern Approach to Payment Integrity Using AI
- Guest Blog (Highmark): Lessons learned: An Inside Look at Improved Payment Integrity, Driven by COVID-19
- Webinar: Re-envisioning Cost Containment in 2022 & Beyond – A Healthcare Executive Roundtable
- Product Video: Provider Scope by Codoxo