

PCG Program Integrity Solutions: Addressing Evolutionary Market Changes

Public Consulting Group (PCG) has provided Program Integrity (PI) services to state Medicaid agencies for over three decades. While the PI landscape has continually evolved, we've helped our clients successfully navigate changes and obstacles that have emerged as a result. Understanding and directing our clients around this changing landscape has assisted numerous government healthcare programs to optimize PI efforts and important cost avoidance and recoveries.

Program Integrity Evolutionary Market Changes

The first phase of the PI evolution was the ideological shift in understanding the increased Return on Investment (ROI) that is derived from stopping fraud, waste, and abuse (FWA) claims before they are paid. Historically, and up until recent years, the primary focus of government healthcare PI organizations was on "Pay and Chase." This meant paying claims within the adjudication cycle, then placing resources and applying analytical efforts towards reviewing claims for FWA in post-payment. While the pay and chase philosophy did yield recoveries, those recoveries came at a higher cost with less ROI. When the emphasis is primarily on post-payment, programs never obtain the full ROI available by virtue of identifying FWA prior to claims payment. Simply put, achieving pay and chase recovery comes at a higher cost and does not always result in full payment.

The second phase of the PI evolution has been the movement of member coverage from government programs to commercial Managed Care Organizations (MCOs). State Medicaid agencies have moved from fee for services to MCOs over the last decades and transitioned care and risk-based management to commercial plans. As of July

2022, 41 states, including D.C., contract with managed care plans, totaling over 280 MCOs across the nation. While this migration has certainly provided numerous benefits to state Medicaid programs, it has presented challenges regarding PI. While both the state and the managed care plans have PI responsibilities, it has proven difficult for Medicaid agencies and managed care plans to collectively maximize cost avoidance and recoveries. Contract structures and data challenges have unfortunately led to provider behaviors and overpayments that result in higher medical expenditures and little opportunity for the state agencies to intervene. While MCOs perform PI as part of their contractual obligations, most state Medicaid agencies do not have the ability to oversee and guide these operations, receiving imperfect and non-standard post-payment encounter data for review with little opportunity to rectify, albeit contractually or operationally. This results in lost opportunities to collaboratively capitalize on identifying FWA and controlling programmatic costs and health expenditures.

The Future of Program Integrity

In collaboration with our technology partners, PCG is consistently working to improve its solutions to build out prepayment capabilities and integrate artificial intelligence (AI) in the platform. This technology can be used to decrease false positives and learn from agency staff what should or should not be denied and why. This advancement is part of the next evolution of PI, changing the space by decreasing human burden and allowing state workers to focus on claims that have a high likelihood of prepayment denial.

We believe there is an opportunity to work with state agencies and MCOs to improve data reporting, quality improvement (QI), and PI outcomes. Through our established MCO oversight services, with the injection of technology to allow for advanced analytics across plan data, PCG can assist states in ensuring MCO compliance, improve member health outcomes, and address provider behavior and overpayment issues not easily seen through individual plan reporting and data submissions.

By standardizing and strengthening MCO reported data, and injecting the ability to apply advanced analytics, we can help states:



Build out better reporting to demonstrate PI/QI plan outputs



Build a data strategy for agencies to better manage and oversee their plans for better outcomes for their members



Combine and normalize reports and data sets to allow for more holistic analysis of member and provider data coming from the plans



Drive more in-depth PI/QI analyses and insights to identify:

- Quality of care issues
- Overpayments
- Provider behavior not seen in individual plan reporting but unearthed by looking across the plans



Get ahead of audits and be proactive in managing gaps in MCO PI activities

The PCG NetReveal Solution

- In 2016, PCG and NetReveal were hired by a Medicaid state agency for prepayment FWA identification.
- The engagement provided technology, tools, and resources to reduce reliance on pay and chase and intercept inappropriate claims.
- NetRevealAI analytics tool and PCG's PI subject matter expertise was leveraged for a unique prepayment solution.
- The solution has helped the state Medicaid agency deny over \$100M in FWA claims since 2016.
- Real-time suspension of certain claims for clinical review has resulted in \$8.7M savings since 2020.
- Our prepayment clinical review work in this state routinely yields an ROI of over 5,000%.

The Differentiator

While prepayment PI is not necessarily a new concept, PCG has noticed that the application of it in its truest form is still not something that is prevalent in the industry. Most PI organizations and vendors use post-payment analysis to identify specific providers to put on prepayment reviews. PCG does not believe this is the best approach and has the experience and expertise to prove it with our NetRevealAI partner.

PCG brings unique insights and solutions derived from direct experience working with states and plans to improve MCO performance against QI and PI measures for more proactive management and oversight of plan performance against contract QI and PI measures to help states optimize value and health outcomes for their members.

To learn more, contact us today!



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