

Medicare claims processor reduces denials, strengthens provider relationships using Optum Advanced Communication Engine



Medicare Administrative Contractors (MAC) process more than 1.2 billion claims a year for the Centers for Medicare and Medicaid Services (CMS).¹ Claim errors can result in delayed payment to providers and extra cost to taxpayers as the MAC tries to resolve the problem.

Goals

In early 2014, Optum® and a pilot MAC implemented the Optum® Advanced Communication Engine to see if claims denials associated with provider claim errors could be reduced.

Successful implementation required that Optum meet specific MAC needs:

- Use existing technologies with no replacements or modifications to any MAC system.
- Ensure no disruptions to workflows and add no days of latency to claims processing.
- Maintain data integrity by processing all claims within the MAC environment.

Ensuring data integrity amid stringent security

In a commercial installation, claims travel via electronic data interchange (EDI) to third-party clearinghouses, then through the Advanced Communication Engine environment, where edits are applied. But working with a CMS Medicare Administrative Contractor presents special challenges due to data restrictions and usage rights. The solution Optum provided for the MAC had to operate within these stringent parameters.

“CMS data security requirements are rigorous,” says Steve Tortolani, senior vice president of business development at Optum. “We had to be very flexible to implement a solution that would work in this secure Medicare environment.”



By streamlining the claims process for health plans and care providers, Advanced Communication Engine can take unnecessary cost and friction out of the health system, while improving patient experiences.

Solution

The Advanced Communication Engine helps health plans achieve administrative savings by preventing corrections downstream with upstream actions such as:

- Strategically incorporating more than 129 million clinical editing and analytic rules into a health plan's existing pre-adjudication EDI workflow
- Empowering providers to self-repair errors or omissions that may result in the denial of a claim
- Improving claims transparency and setting correct expectations with providers at time of submission

In less than nine months, Optum and the MAC had the software automatically identifying and delivering claims edits. Meeting that time frame was not without challenges, however, as it was critical to integrate the MAC's multiple technology systems. The claims submission user experience was undisrupted, yet with added value. Edit notifications by the Advanced Communications Engine were added to existing feedback workflows between the MAC and its providers.

In conclusion

The Advanced Communication Engine helped this MAC achieve a significant drop in denied claims, and increased administrative clarity and response speed within a payer/provider feedback structure that has been historically confusing and inefficient. The impact has been mutually beneficial for the MAC and its provider network. Providers submit accurately completed claims and the MAC can subsequently reduce claims-processing times and mitigate appeals that require costly investigation and recovery efforts.

The MAC is working with Optum to deliver the next level of Advanced Communication Engine provider messaging beyond clinical editing errors to further connect on claim and administrative requirements, such as physician credentialing, attachment notifications and pattern detection.

1. United States Government Accountability Office. Medicare Administrative Contracts: CMS Should Consider Whether Alternative Approaches Could Enhance Contractor Performance. Report to Congressional Requesters, April 2015. <http://www.gao.gov/assets/670/669947.pdf>.
2. Percentage results based on claim volume between Jan 2015 and Feb 2016.



Results

Key onboarding highlights of the implementation include:²

- Onboarding completed in less than nine months
- No disruption to MAC daily workflows during implementation

31% reduction of suspended/denied claims

17% reduction in calls related to denied claims

21% reduction in redetermination requests

17% reduction in pended claims



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