

# Winning Against Medicaid Fraud with Advanced Data Quality

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# Key Performance Indicators of Data Quality

- Transaction Cost Economics (TCE)
- Total Factor Productivity (TFP)
- Economic Value Creation (EVC)
- Efficiency and Yield Management (YM) Results
  - *Technical*
  - *Operational*
  - *Economic*

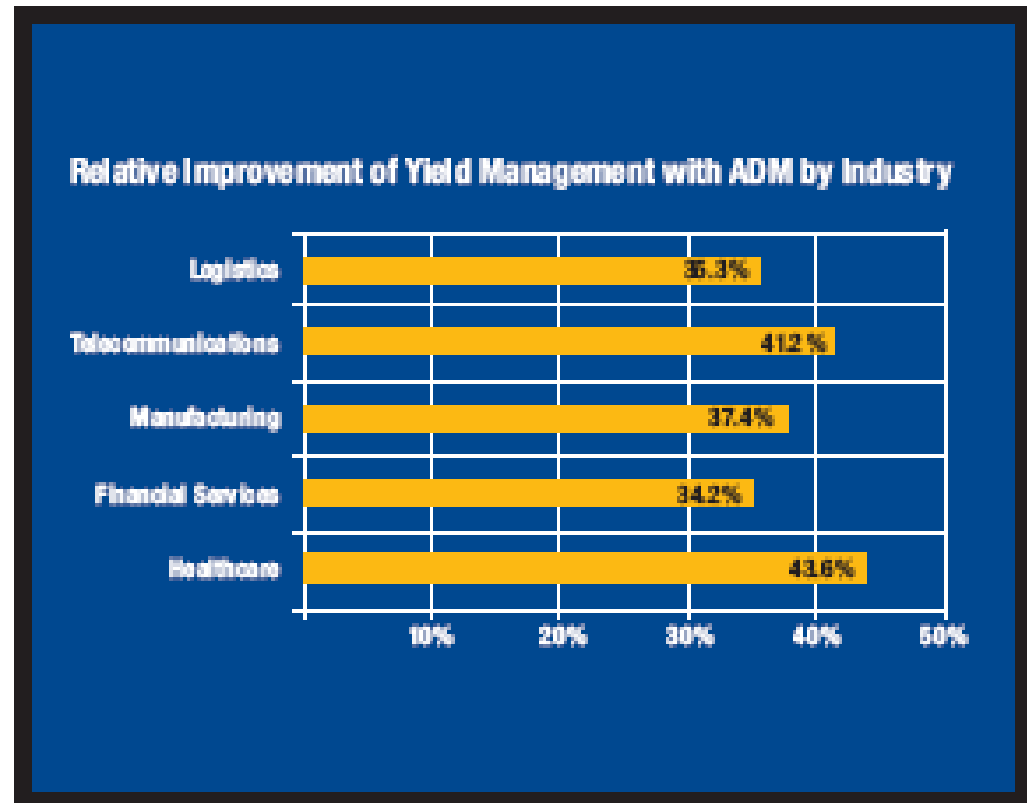
# Economic Benefits of Data Quality

- Improved Yield Management (YM) Ratios
- Lower TCE of claims management infrastructure
- Enhancement of Efficiency—and Metrics
  - *Technical Efficiency* – Appropriate throughput increases and productivity increases
  - *Operational Efficiency* – Requiring less labor and process inputs to effect results
  - *Economic Efficiency* – Minimize the costs of capturing fraud and maximize fraud yield
- Reduce the externality of social fraud abuse

# Latest Case Research Findings

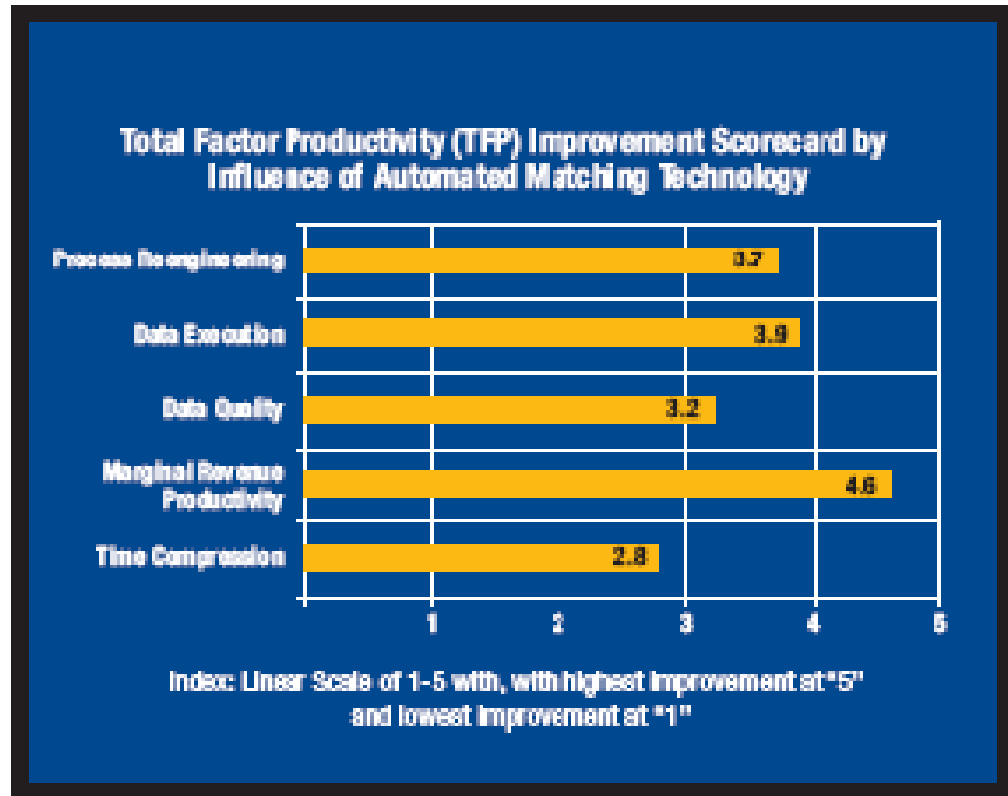
## Entities that use data quality and matching systems

- *Reduce TCE spend by 21.8%*
- *Higher realization of data quality prior to managed service*
- *Compressed time to output for data processing and management*
- *Improved allocation of labor and capital resources for client service*
- *Shorter time to realization of economic productivity with sourced arrangements*



# Latest Case Research Findings

*“Firms that apply data Matching solutions show a 38.7% improvement in Yield Management”*



# Medicaid Program Integrity Implications

- Hypothetically, if a large state spends 114 million per year processing 52 millions claims, a TCE reduction of 21.8% means those claims can be processed for 89 million
- Before data quality, a state might research find 500 fraudulent providers and recover \$13 million. After implementing an advanced data quality solution a state should find cases with 700 with \$21 million in recoveries
- Scams use dead doctors' IDs A congressional report says Medicare has been duped out of multiple millions with "orders" from deceased docs, including some in Minnesota. – Minneapolis-St. Paul Star Tribune, July 9, 2008
  - Medicare scammers using the identities of hundreds of dead doctors in Minnesota and across the nation have bilked the government for an estimated \$100 million over the past decade, according to a congressional report.

# Leveling the Playing Field - Real World Wins

A contractor that administers the Medicaid program for a large state using a complex provider database.

## Challenge

- Several exclusion lists must be inspected prior to enrolling new providers; this process would take up to an hour
- Exclusion lists are in disparate systems / organizations
- Exclusion list data quality was poor
- Enrolling providers on exclusions lists could result in penalties

## Approach

- Configured TeraMatch® to identify duplicate and excluded providers
- Streamlined the verification process to use an interactive match, ensuring that the provider had not been previously enrolled and not on an exclusion list
- Used a single interface to search all exclusion lists

## Results

- 77% reduction in time to validate new provider eligibility
- Faster identification of sanctioned or previously enrolled providers

# Contact Information and References

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