

# Claims Edits Update

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# Current Legislative Charge

## Act 144 of 2014, § 10:

- “Develop a complete set of standardized edits and payment rules based on Medicare or on another set...appropriate for use in Vermont”
- Adopt by rule for use by commercial payers on January 1, 2016; Medicaid on January 1, 2017

# Key Definitions

**Claim Edit:** Adjustment by payers to the procedure codes physicians use to describe and bill for services that are part of the process payers use to determine whether a particular claim for payment should be paid and at what level.

**Payment rule:** Statement of how a submitted procedure code, procedure code combination should be processed when an edit has been triggered.

# Principles

- Allow for transparent and open development
- Broad stakeholder involvement
- Create a sustainable model

# Stakeholders

- MVP
- BCBSVT
- CIGNA
- Health Care Advocate (HCA)
- Vermont Association of Hospitals and Health Systems (VAHHS)
- Department of Vermont Health Access (DVHA)
- Bi-State
- Vermont Medical Society (VMS)
- American Medical Society (AMA)
- HP Enterprise Services
- McKesson

# Timeline

- *October 16, 2014:* Entered into sole source contract with Mark Painter (co-chair, CO Clean Claims Task Force) as appropriate expert to assist GMCB.
- *October 29, 2014:* Webinar with stakeholders on the Colorado experience. Received feedback from stakeholders about past work performed as well as visions for the future.
- *November 2014:* Mr. Painter prepared an Executive Summary of options laying out potential solutions, based on CO experience and feedback from stakeholders.
- *December 10, 2014:* Webinar for stakeholders discussing the potential return on investment of standardizing claims edits and the options laid out in Executive Summary.
- *January 21, 2015:* In-person/phone stakeholder meeting at the Green Mountain Care Board to continue discussion of ROI and options.
- *January 22, 2015:* Mr. Painter testified to GMCB and Senate Finance Committee.
- *Throughout 2015 session:* Stakeholder group and GMCB continue to develop potential approaches for standardizing claims edits

# Projected Savings to System

## CO Task Force method

- adjust CO projected savings for VT population
- use national estimates for provider costs for revenue cycle management

Projected saving between \$6.0 – 18.2 million per year

- \$9.58 per person per year
- \$2.73 per claim

# Projected Savings to System

## Vermont admin costs method

- 2,163,830 claims per year
- 6.8% claims denial surrounding potential edits (124,609 claims)
- Low cost for payer to deny \$6 per claim
- Estimated Cost to Provider to reprocess a Claim \$25 per claim

Total Cost Savings: \$1.7M to \$3.9M