

The Pulse of Payment Integrity

A Needed Shift



Foreward

Although healthcare payments continue to undergo major transformations, one thing is constant—the need for advancing payment integrity remains paramount for payers.

Every inappropriately paid claim represents a cost that takes away from resources that can be dedicated to member care, and errors continue to erode the payer, provider, patient relationship.

We live in a time where trust and credibility are being questioned more than ever. The culture of payment integrity needs to be focused not only on reducing the total cost of care but also on better patient outcomes and satisfaction. This needed shift includes better alignment between incentives and quality of care and better communication between payers, providers, and patients.

CERIS partners with many healthcare organizations and has witnessed positive changes in payment success drivers, evolving transparency, and provider partnerships. The process and tools involved across the entire provider billing and claims payment lifecycle continues to evolve, and new thinking is mandatory to continue to drive high value healthcare.

We internally worked together to put together this guide as our pulse on payment integrity in 2023. We will cover the following key insights.

- Barometers of Success
- Payment Pressure Points
- Full Cycle PI Drivers
- Transparency Challenges
- Transparency Builders
- Payer Provider Friction
- Payer Provider Union

We want to offer it to everyone looking to enhance their foundation for holistic payment integrity success and hope you find it useful.



Greg Dorn
President



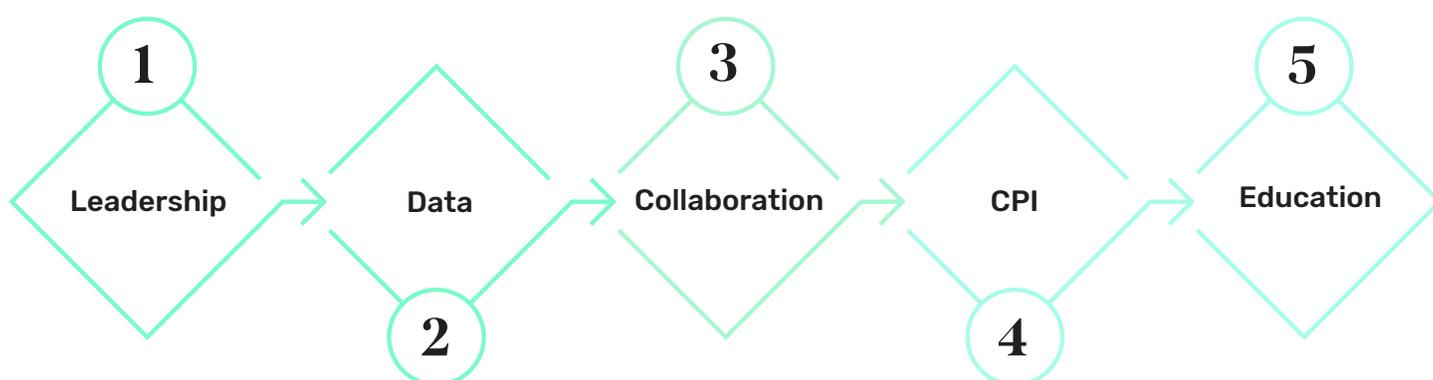
Mark Johnson
SVP, Product Management



Barometers of Success

Every organization should document their payment integrity success barometer. Barometers of success are different for every organization depending on their current PI governance and structure. Typically, the key performance metrics should quantifiably assess the effectiveness of current payment accuracy and prevention efforts and identify areas for improvement.

The payment integrity success barometer should also be able to determine trends, identify risks, and highlight opportunities for improvement in each of these performance metrics. Overall, the barometer is an important tool for healthcare organizations to track the success of their efforts to ensure resources are being used effectively to improve quality and reduce costs.

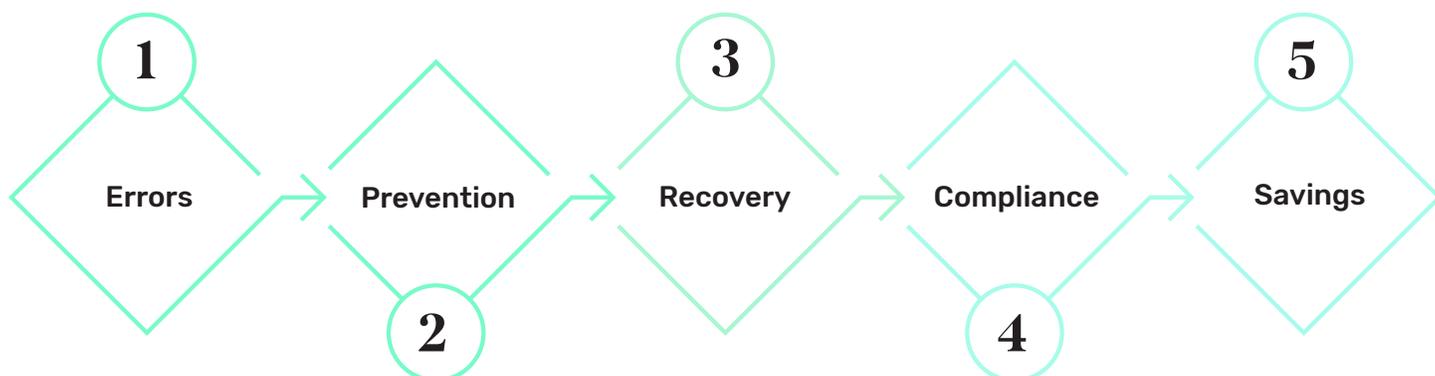


We have found these **5 key factors** promote a successful payment integrity program:

- 1 Strong leadership and governance:** This is the foundation to establish clear goals, objectives, workplans, and processes and ensures compliance with changing regulations, payment methodologies, and industry standards.
- 2 Data-driven approach:** Involving advanced analytics and technology, such as machine learning and artificial intelligence, to identify trends, patterns, and anomalies in payment data expedites success.
- 3 Collaboration and coordination:** Unification of different departments and stakeholders creates a thriving culture. (i.e., vendors, partners, finance, operations, legal, IT, clinical teams)
- 4 Continuous Process Improvement:** A key component of success that involves regularly reviewing and refining processes to identify and eliminate challenges. Regular monitoring, reporting, and analyzing will create space for innovation, shared ideas, and improvement modeling.
- 5 Provider and member education:** Effective education and outreach helps providers and members understand their role in accurate payments for appropriate services.



Barometers of Success



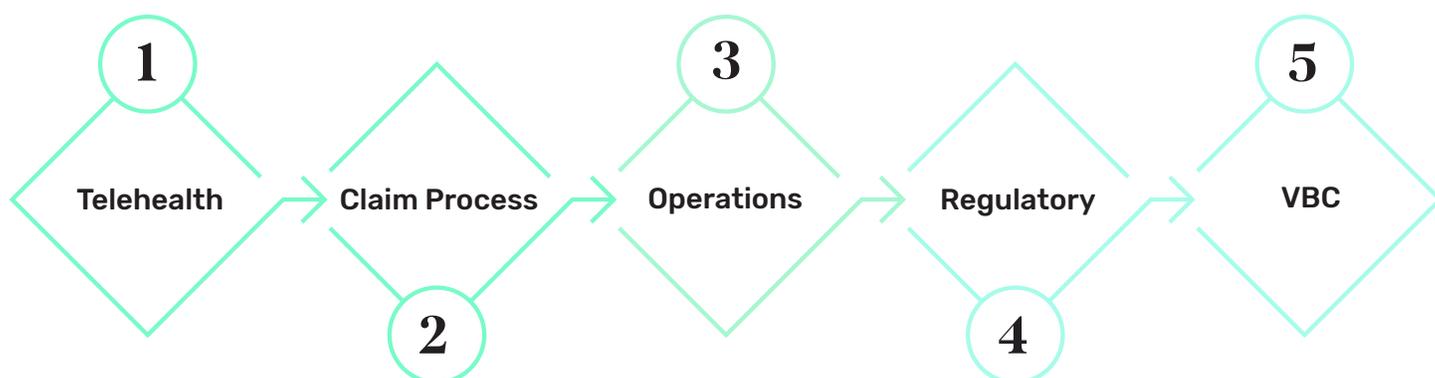
The top 5 performance metrics we see used in determining payment integrity success include:

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|---|--|--|
| <p>1 Error rates
The percentage of claims denied, rejected, or returned with errors.</p> | <p>2 Prevention detection rates
Prepay activity prevention and associated dollar value.</p> | <p>3 Recovery rates
The percentage of overpayments successfully recovered and the dollar value of the recoveries.</p> |
| <p>4 Provider compliance rates
The percentage of providers in compliance with program guidance, rules and regulations.</p> | <p>5 Cost savings
Total cost saved as a result of all PI activities.</p> | |

By focusing on an individualized barometer for success that can be structured to meet your PI needs, programs can continue to develop, impacts on the total cost of care can continue to advance.

Payment Pressure Points

In addition to the recurring payment accuracy issues affecting claims processes, post pandemic challenges have emerged to create new payment pressures.



Payment Pressure Points

The top 5 current payment pressure points we have seen include:

- 1 Telehealth pressures:** the rapid growth of telehealth services have been a great thing, but they have also created new payment models to consider in a payment accuracy process. There is variability in telehealth services and coverage, so it can be a challenge to making sure payment is correct. Because services are no longer physically taking place in an office, it can also make it harder to verify the validity of services.
- 2 New claim process pressures:** There are increasing administrative burdens and changes in claim processes such as additional diagnosis around COVID-19, an increased difficulty in forecasting utilization, increased visits for therapies, hospital at home initiatives, excess in Rx prescription early refills and quantities, and difficulty assessing appropriate length of stays.
- 3 Operational pressures:** The great resignation, silent quitting, and labor shortages can all exacerbate billing inaccuracies and an increase in payment errors. There are flex work schedules, remote billing staff, and a need to allocate resources in different areas.
- 4 Regulatory pressures:** Transparency continues to be at the top of the priority list relating to federal government regulation as well as changing processes around surprise billing. There are also individual state mandates around claim reviews and non-essential claims processes that were created around COVID.
- 5 VBC pressures:** Value-based care payment methodologies are already prevalent in government programs and increasingly in commercial programs. While this delivery model is a favorable trend impacting the quality of care rather than the volume of care, there are many different structures to these models that can impact payment integrity services. Payment integrity in the context of VBC is ensuring payments are made based on the agreement and accurately reflect the actual quality of care provided. It is a critical factor in the success of VBC because it ensures the right providers are rewarded for delivering quality outcomes.

With these ever changing challenges, people continue to innovate, and payment integrity programs are the perfect place to mitigate these additional pressures. Improving your payment integrity program to accommodate new disruptors requires increasing your payment integrity expertise. Now more than ever, payers are looking to partner with vendors to deliver the tools, techniques, and talent to support their internal programs.

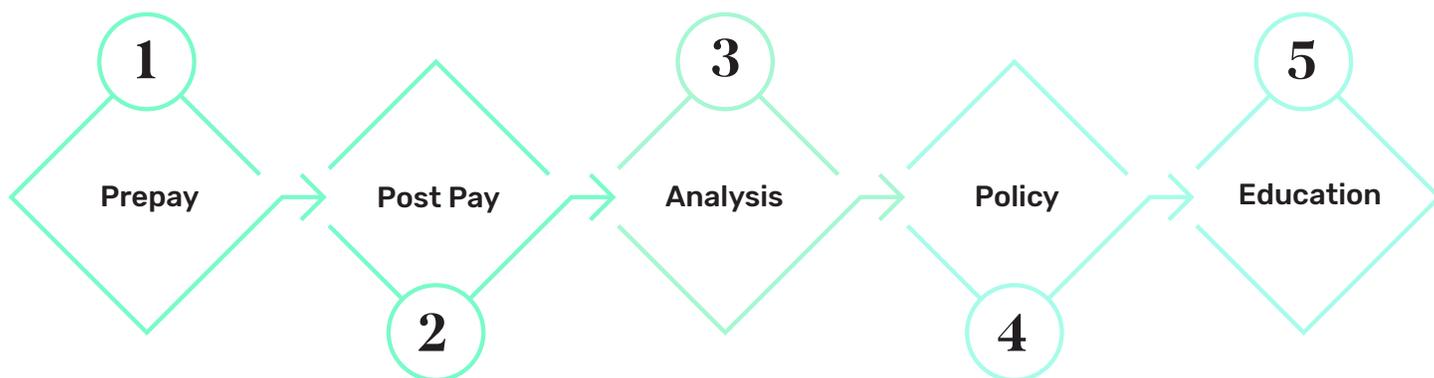
Tech is important, but the humans in the loop are the essential key to promoting a culture of transparency and accountability in the process.



Full Cycle PI Drivers

Healthcare in the US is a highly complex lifecycle with challenges along the path that must be met. A Full Cycle Payment Integrity program is a comprehensive approach to managing and monitoring healthcare payments that involves a complete review of the payment process from start to finish. It includes a range of activities and technologies, including data analysis, detection and prevention, policy development and enforcement, and provider engagement and education.

By implementing Full Cycle Payment Integrity, healthcare organizations can promote a culture of transparency, accountability, and accuracy in their payment processes.



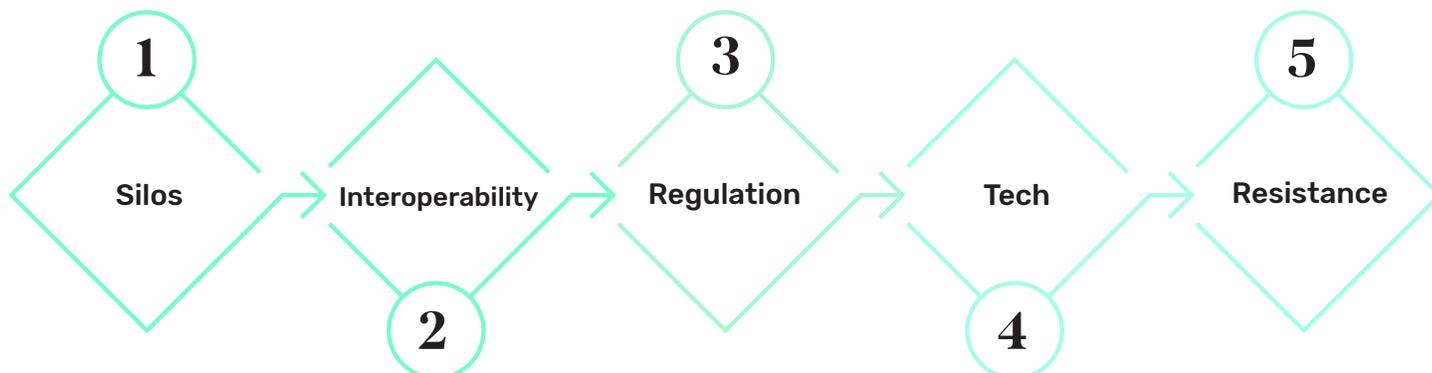
The 5 key factors to develop a Full Cycle Payment Integrity program include:

- 1** Prepay solutions for early detection of errors, controlling costs, improving compliance, reducing admin burdens, and improving patient experience.
- 2** Post Pay solutions for increased savings when additional data is available, ongoing analysis of root causes, and recovery.
- 3** Data analysis from various sources, such as claims, electronic health records, and other payment data, to identify trends, patterns, and anomalies.
- 4** Policy development and enforcement promotes accuracy, efficiency, and transparency in the payment process.
- 5** Provider engagement, outreach and education in the payment process to ensure they are informed and educated about policies and procedures.



Transparency Challenges

With transparency top of mind across the industry, it is important to recognize the challenges in payment integrity that hinder transparency and techniques to overcome those challenges.



There are 5 key challenges that can hinder transparency in payment integrity including:

- 1** A fragmented and siloed organizational structure limits collaboration and coordination among different departments and stakeholders, and can make it difficult to achieve a holistic view of payment accuracy and integrity.
- 2** The lack of standardization and interoperability in healthcare data makes it difficult to track payment information, identify trends and patterns, and detect errors and waste.
- 3** The complex and ever-changing regulatory environment can make it difficult for healthcare organizations to keep up with payment requirements, which can lead to confusion in the payment integrity process.
- 4** A lack of technology and analytic tools can limit an organization's ability to effectively monitor accuracy and make it difficult to identify areas for improvement.
- 5** Resistance to change and a lack of support from stakeholders can make it difficult to implement new processes and technologies that effectively promote transparency and accountability.

By addressing these challenges, payers can promote greater transparency in their PI efforts contributing to lower total cost of care and improved outcomes. Transparency building techniques should be a part of continuous improvement in every payers PI playbook.



Transparency Builders



The top 5 practices that we have seen enhance the transparency factor include:

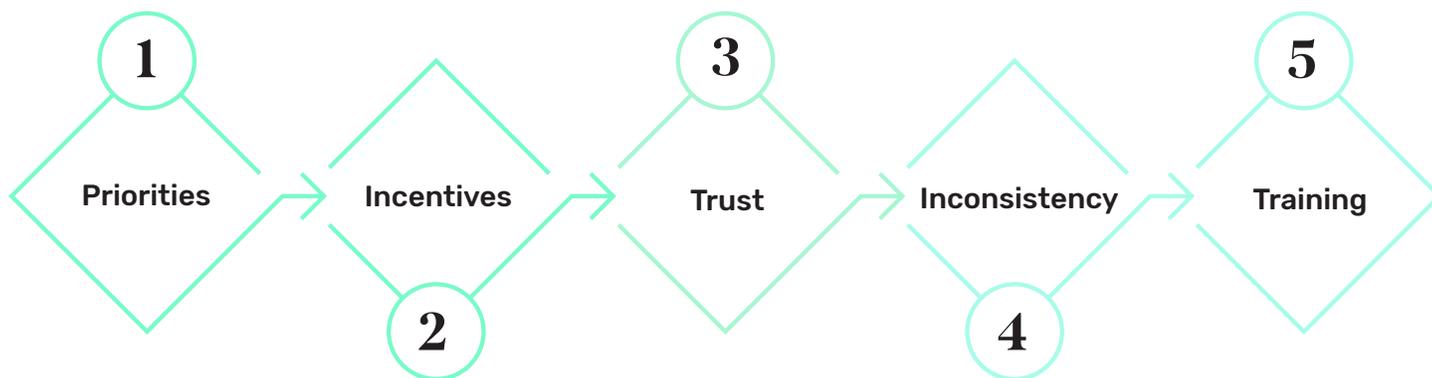
- 1** Clearly and concisely communicating payment policies, procedures, and expectations to all stakeholders, including providers, members, and payers, ensures everyone understands the process and their role.
- 2** Sharing data and information about payment trends, patterns, and anomalies with stakeholders can help identify errors, and promote a culture of transparency and accountability.
- 3** Improving data collection and reporting systems by providing a more complete and accurate picture of payment accuracy will identify areas for improvement for everyone.
- 4** Regular audits and assessments ensure payment processes are operating effectively and efficiently and follow regulations and industry standards.
- 5** Engaging providers and members in the payment process builds trust and accountability and promotes a culture of transparency and cooperation.

Implementing these transparency building practices promote greater cohesion in payment integrity efforts, and ensure payments are accurate and appropriate – ultimately contributing to lower healthcare costs and improved patient outcomes.



Payer Provider Friction

Building a culture of trust and shared respect between payers and providers has been an ongoing set back to payment accuracy. While every situation cannot be a win, win, there are compromises that can be made on both sides to meet the overall goal of lowering the cost of care.



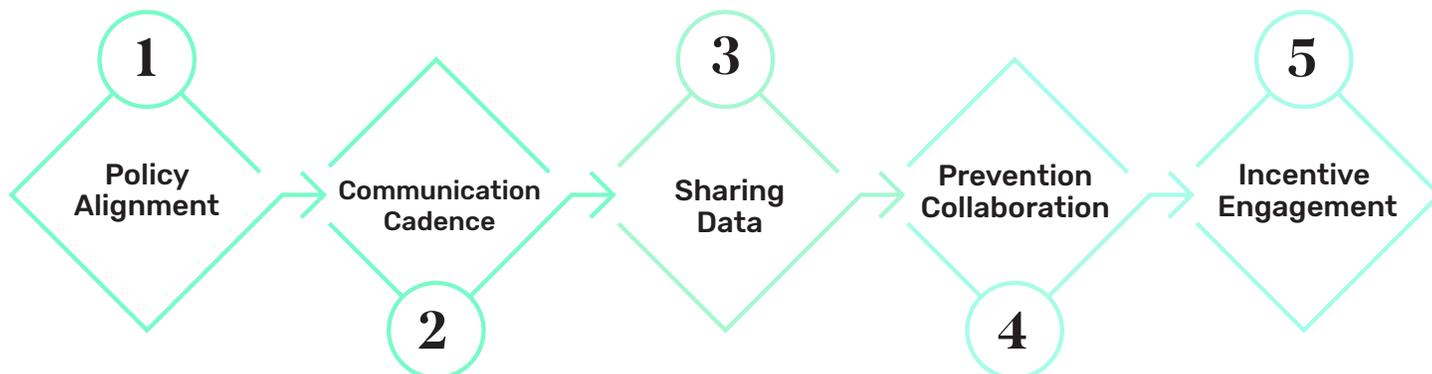
The 5 key factors that we have seen cause the greatest friction between payors and providers around payment integrity practices include:

- 1** Payers and providers may have different priorities and goals, such as cost containment, quality of care, and patient satisfaction, that can lead to conflicting interests and tensions around payment issues.
- 2** Incentives for payers and providers are not always aligned, leading to disagreements around payment policies and procedures, and causing friction in their relationship.
- 3** A lack of trust and transparency in the payment process can lead to disputes, misunderstandings, and disagreements between payers and providers.
- 4** Changes to policies and procedures without proper notification, can lead to confusion and frustration for providers, and can cause friction in the relationship.
- 5** A lack of education and outreach to providers about payment policies and procedures and the importance of accurate payments can lead to misunderstandings and frustration, and can cause friction in the relationship between payers and providers.

Payers can address friction head on and promote collaboration to improve relationships creating more efficiency and accuracy in the long run.



Payer Provider Union



5 key tactics that can promote working together for the greater good include:

- 1** Developing payment policies and procedures in collaboration between payers and providers to ensure they are aligned and that both parties understand their responsibilities in maintaining payment accuracy.
- 2** Regular communication and education between payers and providers helps build trust and understanding, and ensures everyone is informed about changes to payment policies and procedures.
- 3** Sharing data and information about payment trends, patterns, and anomalies informs decision-making around payment policies and procedures.
- 4** Collaborating on prevention efforts can help prevent waste and promote a culture of transparency and accountability.
- 5** Engaging providers in the payment process and providing incentives for accurate payment can also promote a culture of transparency and accountability.

If payers and providers join together the results can be phenomenal. It takes effort to build any relationship, and the payer provider union is the most important relationship that can be fostered to improve healthcare. It is worth the effort to go the extra mile and dedicate the time to work in conjunction with providers. Understand the downfall of promoting a misleading win-win, be genuine and look for compromise.



Summary

Goals and tactics to improve payment accuracy vary greatly from organization to organization, and the complex and changing healthcare delivery system does not make things easier. However, there are proven approaches and methods that can be targeted to determine what the next best step is in a payment integrity program. By determining your success barometer, understanding and developing solutions for payment pressure points, advancing the development of full cycle PI, building transparency, and creating a union between payers and providers, continued improvement in this priority of payment accuracy is possible.

CERIS has partnered with payers across the nation to support their payment integrity program and help them advance where they are in their journey.

Be on the lookout for future articles where we will take a deeper dive into each of the key payment integrity insights.

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