



Audit Management Technology

Lessons from Clinical Systems Can Guide You

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Integrated

Document



Workflow



Agenda

- The Emerging Audit Burden
- Lessons Learned from Clinical Information Systems
- The Four Square Framework
- Selective Application to Audit Management Technology
- Summary



Purpose for Today

- To challenge your thinking
- To provide a framework to view issues from a different perspective



It All Started When...

- RAC Demonstration
- Medicare Trust Fund:
 - Slated for bankruptcy by 2019
 - Solvent until 2029??



RAC Program: March 2006 – March 2008

- Overpayments Collected: \$992.7m
 - Underpayments Repaid: (\$37.8m)
 - Overtured/Re-review: (\$60m)
 - RAC Program Costs: (\$201.3m)
- Returned to Trust Fund: \$693.6m

And the Audit Burden Grows



- Tax Relief and Health Care Act of 2006
 - RAC is permanent
- Since the announcement of RAC, additional audit programs blossomed...
 - Medicaid Integrity Contractors
 - Zone Program Integrity Contractors
 - RAC for Medicaid
 - Private Payer Audits, etc.
- More programs will evolve, and as they are successful, others will follow...



Making Good on the Guarantee...



- RAC has been more organized, more newsworthy, more imminent ... by law
 - Fully functional in all 50 states as of January 1, 2010



BUT...

- MIC is not too far behind
- ZPIC is increasingly active (So. Fla., TX)
- RAC expanded to Medicare - all Parts!
- RAC expanded to Medicaid



Operationally, Audits Are...

- *Paper based*
 - Lost documents
 - Failure points at hand-offs
- *Linear process*
- *Deadline-driven*
 - *You miss – you lose!*
- *Labor intensive*
- *Collaboration intensive*
 - e.g. UR Nurse, Medical Necessity MD, Audit Coordinator, Compliance Officer, Finance



So Now We Have a Spark!

- Ready to ignite a barrage of technology purchases to assist with audit management
 - READY to end “death by spreadsheet”

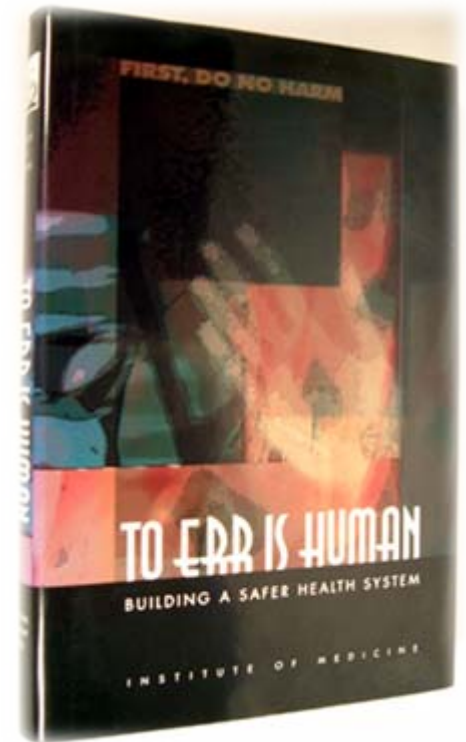


- Does this seem familiar?
 - *“Those who cannot remember history are condemned to repeat it.” - George Santayana*

A Spark From the Past...



- **To Err is Human: *Building a Safer Health System***, IOM Report, 1999
- Sparked a buying spree in HIT that now is over \$32b annually



“How’s That Workin’ For Ya” - Dr. Phil



KLAS: One-third of EMR purchases are to replace existing systems

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INDUSTRY NEWS

KLAS: One-third of EMR purchases are to replace existing systems

4/13/10 8:24 AM

Nearly a third of providers planning an EMR purchase are replacing an existing program, according to a new report from healthcare research firm KLAS. When it comes to choosing an EMR, physician practices are considering an ever-increasing number of software vendors, KLAS found.

Technology Evaluation
Workarounds to
Their Occurrences, Ca

ROSS KOPPEL, PhD, TOSHA WETTERNECK, MD, MS

Safe e-Prescribing

With Audits, A Different Story



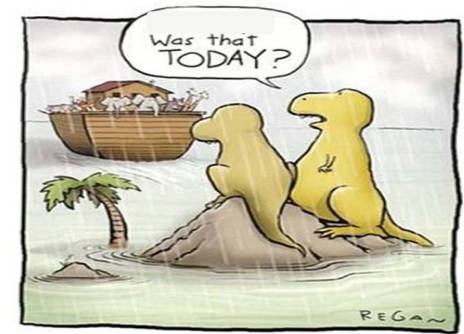
- Can ill-afford a technology misstep:
 - Too much money at risk
 - Too complicated
 - Too much good-will at risk
 - New audits coming too fast



- Can we learn from the clinical system experience and avoid *some* of the pitfalls?
 - ***We HAVE to...***

Understanding the Past

Clinical Information Systems



Engineering

Value

Governance

**Cognitive
Fit**

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Looking to the Future...

- Use the 4 square framework *prospectively*
- Proactively evaluate audit management technology
 - Identify critical concepts that dictate functional requirements and specifications
 - Identify *your* reporting requirements
 - Help identify metrics of success and ROI



Designing the Best Future

Audit Management Systems



Engineering

Value

Governance

**Cognitive
Fit**

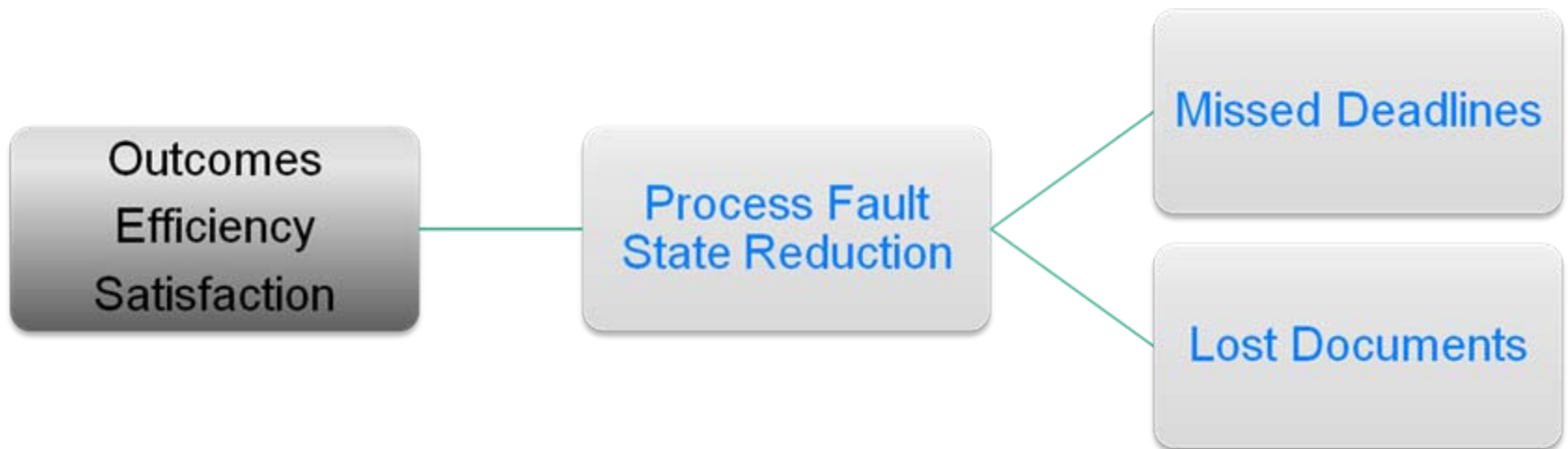
Value

Audit Management Systems



- What is Value?
 - Outcomes
 - Financial
 - Appeal Results
 - Audit Numbers
 - Efficiency
 - Manpower for audit tracking and communication
 - Manpower utilization for appeal
 - Satisfaction

Mapping Value Concepts



Value Target:

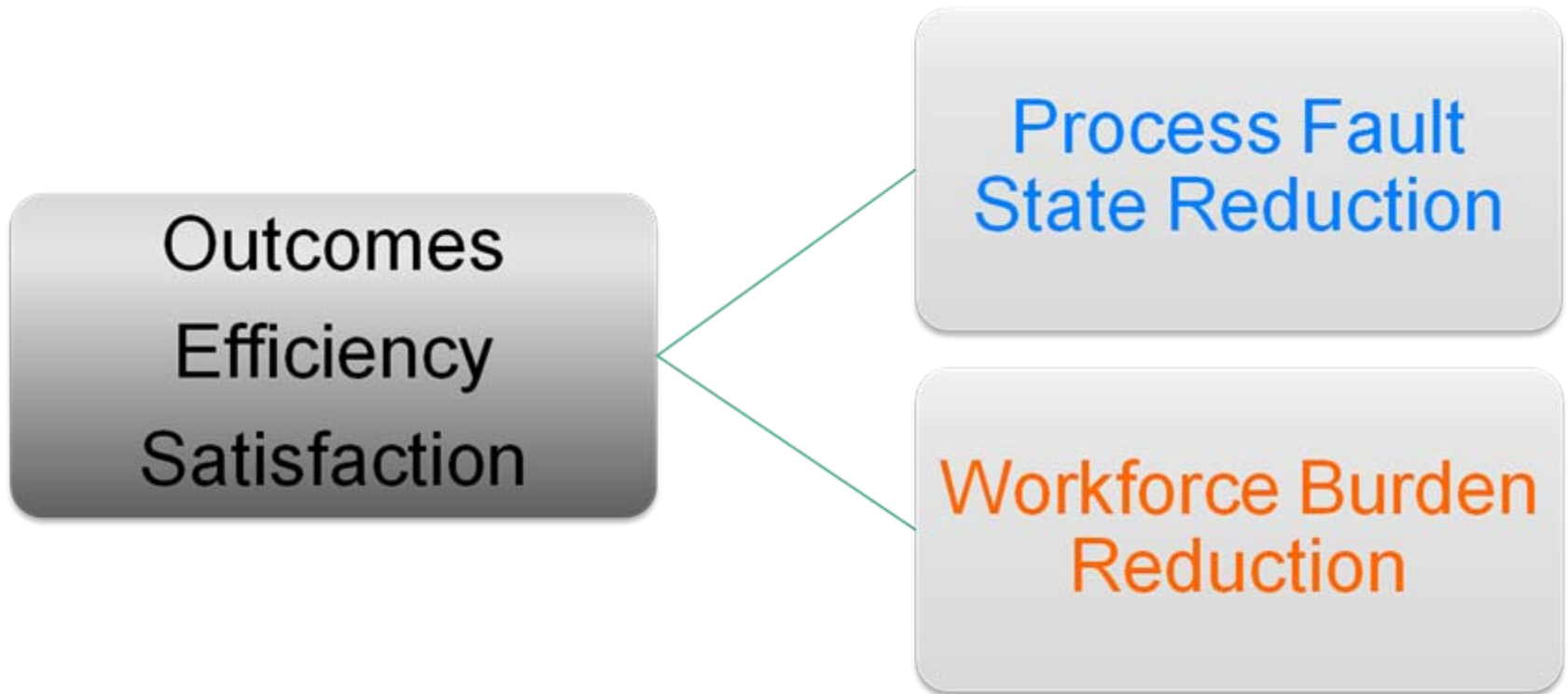
Process Fault State Reduction



- ***Missed Deadlines are LOST Cases***
- *From the RAC Demonstration Pilot*
 - Inability to meet timelines
 - Averaged 9% but was up to 50% of appeals!
 - Most “stress” reported on records release process
 - Even *post-demonstration*
 - 80% records received at 45-47 days **–LATE...LOST!**
 - **This with only ONE new audit program!**



Mapping Value Concepts



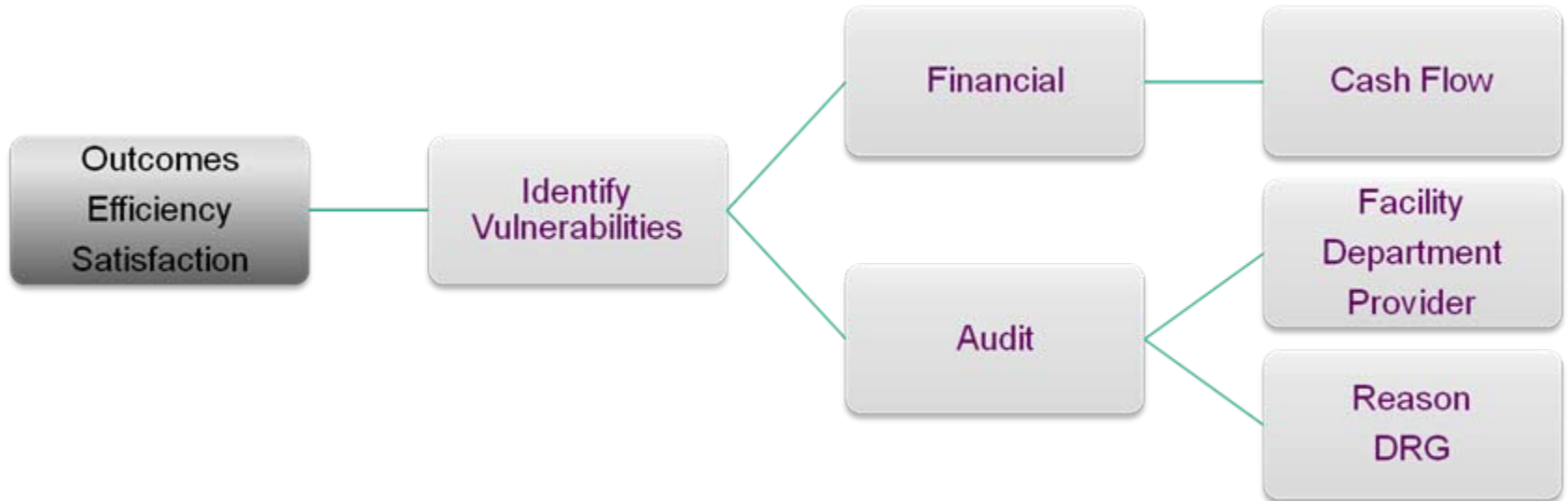
Value Target:

Workforce Burden Reduction



- From RAC Demonstration
 - Max records requests from RAC 1,622
 - Over 0.4 FTE (around \$20-25,000)
 - 63% had to hire more resources (RAC only) – AHA, 2010
- No limits for MIC cases
- TBD burden from ZPIC
- Unknown burden for RAC-Medicaid
- Comparative data on FTE's emerging soon
- Did you budget extra head count this year?

Mapping Value Concepts



Value Target:

Cash Flow Modeling



- From RAC
 - Complete audit process can take up to years
- Historical case appeal levels, win rates, current dollars at risk: provide modeling base
 - How much will come and go
 - Timing of transactions
- A phase 2 or futuristic look?
- ZPIC is looking a PRE-payment audits!!



Mapping Value Concepts



Engineering

Audit Management Systems



- Conceptual:

- Audit Programs will grow in number
- Audit Programs will vary in complexity
- Programs may change in structure or process
- Roles in the organization may appear or evolve
- Rules for case routing WILL change over time as roles evolve and as programs evolve
- A single solution framework and single audit database will provide the most comprehensive value over time



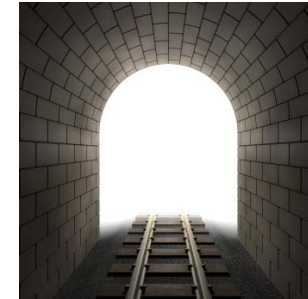
Mapping Engineering Concepts



Flexibility



- New Audits: just in 2010...
 - MIC, ZPIC...
 - Potentially RAC for Medicaid



- Can you afford to wait for new products?
 - Code, QA, Beta, release
- Similar UI for end users?

Waiting...



- Re-routing for your organizational growth and changes

Mapping Engineering Concepts



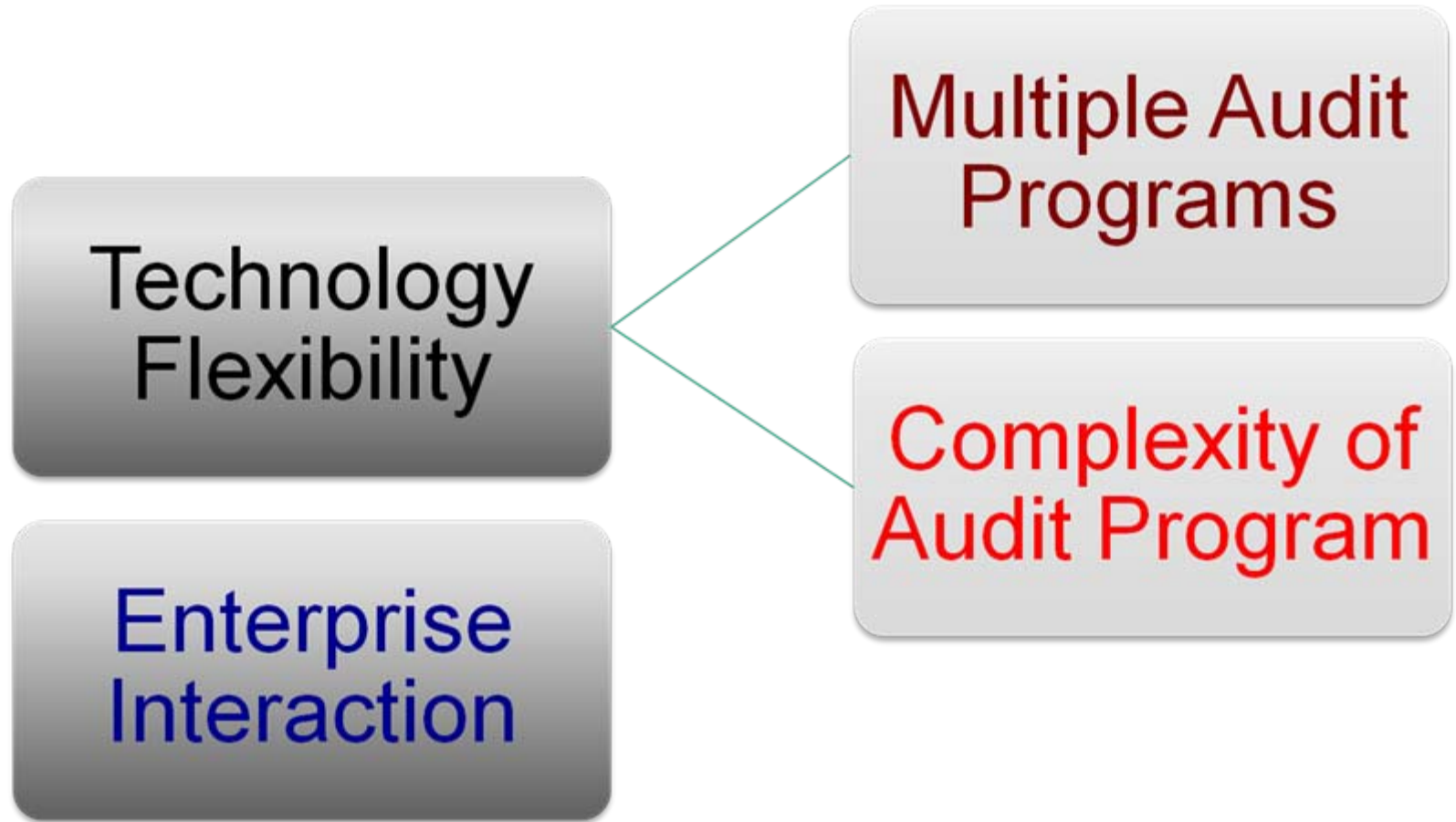
Engineering Targets:

Audit Program Complexity

- RAC: the easy use case
- MIC: same initial steps
 - Multiple appeal processes and timelines (one per state)
- RAC for Medicaid ??
- ZPIC: how will pre-payment audits be managed?



Mapping Engineering Concepts



Engineering Targets:

Enterprise Interaction



- ***Collaboration***-intensive



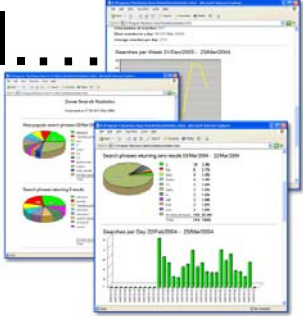

- How does technology interact with ROI system and enable record release process?
- How does technology interact with clinical care documents?
- How does technology interact with case management notes?



Engineering Targets:

Enterprise Interaction



- Not only workflow-functional level....
 - OUTPUT!
- 
- Three overlapping windows showing various data visualizations: a pie chart, a bar chart, and a table of data.
- Engineered for one enterprise audit repository
 - Reports drive decisions and resource allocation:
 - Finance
 - Compliance
 - Audit Coordination
 - HIM – release team
 - Link to Cognitive Fit
- 
- Four colored boxes arranged in a 2x2 grid. Top-left: purple box with 'Engineering' in yellow. Top-right: green box with 'Value' in yellow. Bottom-left: blue box with 'Governance' in yellow. Bottom-right: pink box with 'Cognitive Fit' in yellow.

Summary



- High stakes ***audit burden is growing***
- Can **ill-afford technology missteps**
- **Four square framework** can help identify critical ***audit management technology*** specifications and requirements that might otherwise be missed
 - Examples (value, engineering)
 - *Work through with your team*
- Proactively enable your success



Questions?

Thank you

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