

INFO SHEET

Pitney Bowes Business Insight Solutions for Medicaid Management Information Systems



Who is Pitney Bowes Business Insight?

Pitney Bowes Business Insight is the integration of three companies—Pitney Bowes, Group 1 Software and MapInfo. These three organizations are industry leaders in their own technology areas. The confluence of this expertise has resulted in the ability to offer coordinated solutions and services that touch many of the areas that Medicaid Management Information Systems (MMIS) and their contractors are struggling with today.

SUMMARY

Renewed government interest in Medicaid transformation and health reform has increased public awareness and ignited an urgency to reduce costs. By some estimates, federal and state governments waste \$700 billion, or 30% of healthcare spending, on unnecessary or redundant healthcare process management. Still, the question remains—how do we provide high quality affordable care to those in need? While there is no single, all encompassing answer, a multi-faceted approach is required to improve processes, such as:

- high administrative costs
- fraudulent claim payments
- ineffective communications
- poor data quality
- inaccessible information

Pitney Bowes Business Insight brings years of experience to the problem of dealing with health reform. Our proven technology has assisted state and federal organizations in tackling many of the same problems faced by today's health reformers.

Overview

Pitney Bowes Business Insight has long been synonymous with Communication Intelligence. Our customers have, for many years, included state governments, as well as private healthcare organizations.

Pitney Bowes Business Insight has industry recognized solutions for high volume mail needs—similar to those of a state MMIS system—to produce, mail and ensure receipt of HIPAA-compliant correspondence to both beneficiaries and providers. In recent years, changing United States Postal Service (USPS) regulations have altered many of the compliance parameters for large volume mailers. At Pitney Bowes Business Insight, we have the solutions to meet these demands head on, ensure compliance and protect discounts.

Document composition and retrieval are core components of the Pitney Bowes Business Insight Communications Management solution. Most MMIS systems are challenged to produce comprehensible, timely and complete correspondence to beneficiaries and providers. Our DOC1 suite of products provides mass customization. Letter templates are centrally formatted, but promotional messages, such as wellness information or benefit recertification language, can be conditionally added based on beneficiary or eligibility system triggers. The Pitney Bowes Business Insight document archive enables quick and efficient retrieval of documents, indexed by the recipient's identification number, allowing member services staff to view the exact document in question.

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PITNEY BOWES
BUSINESS INSIGHT
OFFERS A
THREE-PRONGED
APPROACH TO POSTAL
COST CONTROL—
DELIVERABILITY,
CHANGE AND
TRACKING.

Data quality, which is vital to any MMIS, is another core competence of our solution. The absence of data quality and integrity results in a degradation of quality decision making. In fact, fraud and waste are often the result of both bad information and the lack of confidence in business decisions. The General Accounting Office (GAO) reports that 10% of Medicaid dollars are lost to fraud and waste each year. Because of this waste, it is critical that MMIS ensure that data quality, integrity and inspection are improved.

Location Intelligence is an integral component of data inspection. The location of beneficiary residences, in relation to the location of services, is a critical component of validating and monitoring fraudulent activity. For example, demographic indicators, such as nursing home resident status, help set a benchmark of reasonable travel distances for patients when monitoring for fraud.

To gain a true understanding, let's take a closer look at each of these valuable solution components.

Communication Intelligence

To the surprise of many, postage costs often have a double-digit share of the operating costs of communication intensive organizations. As with many commodities-driven processes, the cost of mailing goods, invoices and correspondence to customers has never been higher. Pitney Bowes Business Insight offers a three-pronged approach to postal cost control—deliverability, change and tracking.

Deliverability

Medicaid institutional communication challenges are brought into particular focus since they deal with a more transient and less functionally literate constituency. With more than 1.5 billion national claim transactions per year, it is no small task to successfully

deliver the proper communication to the correct beneficiary at their preferred address, while ensuring that the appropriate HIPPA privacy rules are satisfied. There are a number of tools within the Communication Intelligence domain that are designed to improve the deliverability success rate.

Address correction and standardization is the centerpiece of the Communication Intelligence solution. The most efficient time to ensure postal deliverability is when the beneficiary commits. A MMIS system that validates addresses in real-time ensures that only correct and deliverable addresses are accepted into the system. Pitney Bowes Business Insight offers address correction that meets the USPS Coding Accuracy Support System (CASS) requirements in three flexible architectures:

Service Oriented Architecture (SOA)—a real-time solution in the current enrollment application that is housed on an organization's internal servers

Scheduled Batch processing—robust return codes outline exactly what information needs to be corrected on each address

Software-as-a-Service (SaaS)—a solution hosted at one of our data centers, real-time SaaS can be integrated into existing enrollment systems

Change

The second component of the Communication Intelligence solution is the Verimove® system. Verimove enables mailers to stay current with the National Change of Address (NCOA) database. While approximately 17% of the American population moves every year, address changes for Medicaid recipients are considerably higher. Verimove helps Medicaid processors identify the beneficiaries that have moved, and assists in correcting their addresses prior to incurring return postage costs.

Tracking

The third and most recent component of the Pitney Bowes Business Insight Communication Intelligence solution is the Intelligent Mail Barcode (IMB) system. The IMB is a substitution technology for the former POSTNET™ and PLANET® barcodes, recently obviated by the USPS. The new IMB enables mailers to access USPS tracking and address change services, improve delivery of mail, increase operational efficiencies and provide greater visibility into their mailstream.

IMB imprints a unique identifier on every piece of mail, offering a dramatic improvement on the implementation of HIPAA regulations. For example, IMB supports a web-based tracking mechanism to show when and where sensitive mailings, such as benefit denials, provider remittance and contract documents, were received.

Communications Management

Document composition is at the heart of effective Communications Management. The DOC1 composition tool facilitates professional and personalized member correspondence with a user-friendly interface. DOC1 extracts data from transaction systems, thereby reducing manual collection and entry of information. Mass-customization gives documents a more personal and readable appearance, while preserving the economies of scale. A few key components that are significant to MMIS implementations include:

- ability to create and control document content, at specific department or at agency wide level, without IT resources
- embedded secure, document level approval routing process
- support for multi-lingual versions of same template

DOC1 is currently integrated into numerous MMIS and partner core systems. As a result of these integrations, state call centers realize an improvement in service and a reduction in costs. The robust and flexible DOC1 system allows for batch and ad-hoc correspondence to be both implemented and efficiently realized.

To be truly effective, documents produced with the DOC1 suite must be stored for later retrieval. To facilitate effectiveness, Pitney Bowes Business Insight offers the e2 production archive which seamlessly integrates with DOC1, and provides real-time indexing, compression, storage and retrieval of high-resolution documents, regardless of age or size. This unique indexing process provides impressively fast loading and retrieval speeds of documents. MMIS users are immediately able to access correspondence with any beneficiary, provider or administrator, and view an exact replica of the mailed document.

The e2 production archive can be accessed by beneficiaries and providers using a web-based online account management (OAM) system. This self-service tool takes the burden off the support staff, as providers and members are able to access and reprint their documents from any web browser. e2 supports facile integration with web-based MMIS solutions for future growth and efficiency.

Data Quality

It is intuitively obvious that data quality is important. In healthcare, particularly Medicaid and Medicare, bad data quality can be hazardous. The Institute of Medicine reports 1.5 million Americans are injured yearly from preventable medication errors.

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Consider the emerging trend of e-prescriptions. This area of explosive growth had 103,000 clinician subscribers in the first quarter of 2009, up from 74,000 in the preceding quarter. Data quality is essential for the success of e-prescriptions and electronic healthcare record management.

In addition, several Communication Intelligence solutions have been integrated as modules in the data quality suite. Using address standardization and move update solutions, as part of a broader data quality initiative, strengthens the benefit of both.

The Customer Data Quality Platform (CDQP) is comprised of several modules which can benefit a Medicaid organization. The various modules of the platform can be connected together, either as a batch process or a real-time web service, into data flows. These connected data flows, demonstrated in Figure 1, result in both multiple business decisions being automated and actionable information provided.

The Pitney Bowes Business Insight Advanced Matching Module, part of the CDQP, can assist in cleaning up duplicate records

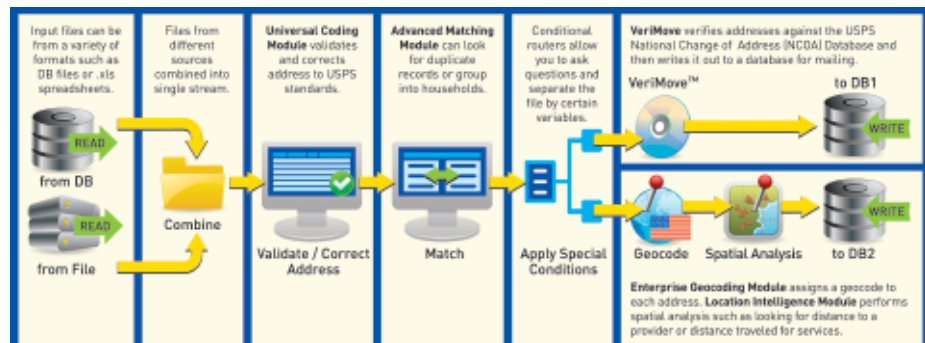
and householding beneficiaries to reduce duplicate mail costs. The Advanced Matching Module offers:

Flexible matching options—selects the most appropriate match level and combines deterministic algorithms with probabilistic rules to eliminate false positives, while giving the confidence to merge and consolidate records

Robust capabilities—defines criteria and determines matches based on data by selecting from pre-defined rules and best practices in areas such as name/address matching and householding

Sophisticated name and address matching—identifies matches using sophisticated algorithms by engaging in complex consumer address issues with options to match either on a household or individual basis

International knowledge-base—considers different spellings and nicknames based on country of origin (e.g. Michael, Mikhail, Mykolas) to identify duplicates across 110 cultures



Best-of-breed consolidation—provides the highest degree of flexibility and control in determining how to link or merge matched records

Full range of business applications—deploys in real-time or runs in batch mode

Because most states require Medicaid enrollment to be at an individual rather than family level, there are often multiple members of the same household that must be notified of policy changes or provider terminations. Many MMIS systems do not offer a way to determine which beneficiaries are part of the same household. In recent tests on actual MMIS data, the Advanced Matching Module consistently displayed a 30% reduction in postage costs.

Location Intelligence

Location Intelligence is information about geographic points and their relationship to each other. Many healthcare systems use the Pitney Bowes Business Insight Location Intelligence solutions to identify closest providers, assign primary care physicians and track infection or disease trends. This same technology can be leveraged as part of a data quality tool to detect fraudulent claims

In order to leverage geocoding and spatial queries, business rules and norms must be established. Within urban, suburban and rural areas, the system administrator must establish thresholds of distance traveled for medical care. Additional factors can be accounted for, such as if the beneficiary has a status of “inpatient resident of a nursing home” or “Alzheimer’s diagnosis”. In these cases, override thresholds can be set to make expected travel distances even smaller. These thresholds, which establish deviations from the standard, are used to detect and evaluate potentially fraudulent activity and claims.

At a pre-set (nightly, weekly, etc) or real-time schedule, the system produces a report outlining the claims which triggered outside of the threshold. Many of these claims will be normal care situations where the beneficiary was simply traveling. Occasionally, you will identify a sudden spike, for example, of \$300,000 in claims from a provider in Little Rock for a beneficiary who is an Alzheimer’s patient in a nursing home in St. Louis. This is the perfect example of a red flag that is almost certainly a case of fraud and identity theft.

How Pitney Bowes Business Insight Can Help

Efficient and flexible systems are key to the transformation of MMIS. Improving efficiency requires the core systems be augmented with solutions that target high cost areas, such as postage and fraud. Pitney Bowes Business Insight has been a partner in many MMIS implementations. Through our partnerships with the major systems integrators and MMIS vendors, we are experts at providing return on investment for our solutions. In fact, Pitney Bowes Business Insight is poised and ready to help your organization:

- increase labor productivity in the areas of fraud detection, communications preparation and document retrieval
- ensure quality of data as information is transferred into electronic medical records
- implement mass-customized documents to support increased beneficiary connection and understanding
- detect fraud using location intelligence and data mining by uncovering patterns of suspicious activity that would have otherwise gone unnoticed

TO LEARN HOW PITNEY BOWES BUSINESS INSIGHT CAN HELP YOU EFFICIENTLY AND EFFECTIVELY LOWER COSTS, IMPROVE SERVICE AND DETECT AND ADDRESS FRAUD, CONTACT US TODAY AT 1.800.327.8627 OR VISIT WWW.PBINSIGHT.COM.

Medicaid Fraud Detection Using Data Quality and Geographic Analysis

Understanding, Detecting and Reducing Fraud

LEARN HOW PITNEY BOWES BUSINESS INSIGHT CAN HELP YOUR ORGANIZATION DETECT, ADDRESS AND PREVENT MEDICAID FRAUD.

Overview

Modernization of Medicaid information technology systems has received significant funding and attention over the past five years. Critical steps have been taken to insure interoperability, efficiency and quality of care. Fraud and abuse detection is no exception. Even with the great strides that have been made, the United States Government Accounting Office (GAO) has called for additional federal leadership in combating this issue in partnership with the states. The GAO estimates the national cost of fraud at 10% of the total program costs. Using current national program costs, the GAO estimate would total \$35 billion nationally.

Unfortunately, the decentralized nature of Medicaid makes it difficult to track actual and accurate numbers. Some state Medicaid directors insist that the issue is not nearly at the federal estimated levels in their state, while others know they have rampant fraud but are unsure how to tackle the issue with their current manpower. The perception is that it requires armies of staff clinicians to pour over claims to uncover fraud.

In 2006, the GAO cited that only 14 of the 53 Medicaid entities had staff clinicians dedicated to fraud detection. Some states, such as Colorado, have launched major initiatives for FY 2009 and beyond to increase the number of clinician reviews conducted. While this is an effective way to identify certain types of fraud, it is certainly not the only way.

Funding Expansion of Programs

Most people affiliated with state government acknowledge that increases in Medicaid eligibility will put tremendous stress on an already taxed system. The current recession is pushing many state programs to the brink. The Kaiser Family Foundation released an update to their "Medicaid and the Uninsured" report in January 2009 entitled "Medicaid in a Crunch—A Mid-FY 2009 Update on State Medicaid Issues in a Recession". The Kaiser report is particularly helpful in establishing current trends in Medicaid since it is both timely and included input from all 50 state Medicaid directors either directly or through survey. The growth of state authorized spending is 5.8 percent for FY 2009, up from 5.3 percent the previous year. But with enrollment numbers outpacing those projected, many states are looking at running out of funds prior to the end of the year and requiring emergency assistance to pay claims. In fact, 30 states and the District of Columbia reported to Kaiser that their enrollment was above projected levels in the first half of FY 2009.

Data Mining and Location Intelligence to the Rescue

Using data mining and location intelligence to stop fraud before the payment is made is one way to keep money in the system to support the much needed expansion of enrollment. The Centers for Medicare and Medicaid Services (CMS) lists some common fraud schemes, including:

- Payments, either in cash or in kind, in return for Medicaid numbers
- Every patient in a group receiving the same type of service on the same day or the same type of equipment
- Billing for medical services or goods that were not provided
- Billing for more hours than reasonable and customary in a single day
- Double-billing for health care services or goods

All of these fraud schemes can be reduced with data mining. When data mining is used together with clinician review, the reviewer can more easily find the needle in the haystack, significantly improving the use of their time. Using data quality tools, such as Pitney Bowes Business Insight's Customer Data Quality Platform (CDQP), can produce triggered flags when conditions are met regarding a suspicious threshold or activity. For example, every patient in a particular practice receives the same type of medical equipment. With the CDQP's ability to assign latitude and longitude to the patient and provider record, location and time of service can be used to identify suspicious activity. While CDQP only computes as-the-crow-flies, Routing J Server or EnvinSA provides true drive-time analysis.

Another example of fraud is the payment in return for Medicaid numbers. The CDQP can monitor unusual spikes in the number of claims within a given time period. If a member suddenly received a 2000% increase in their average monthly claims, the state may assume that the patient has become very ill, very quickly. But, because the triggers can be based on more than one condition, further analysis can determine if the provider also had spikes on other non-affiliated patients. If a particular Durable Medical Equipment (DME) provider or Home Health Agency has seen 2000% spikes across 10% or

more of their patient population, then alerts are issued to halt payments and begin an investigation.

Patient diagnosis can also be a critical clue that the patient is susceptible to fraud. For example, if a patient with a dementia diagnosis, who lives in an assisted living facility in St Louis, MO, begins receiving podiatry claims from a provider in Little Rock, AR, the system will trigger alerts based on unacceptable distance traveled for a patient with that diagnosis. The thresholds for distance traveled can be set by state administrators to facilitate fraud identification and interception.

Perhaps it is not that the distance traveled is so great, but that the patient passed a dozen or so more convenient providers to visit one in a neighboring town.

Conclusion

Due to the struggling economy and skyrocketing unemployment rates, State Medicaid programs are suffering from funding shortfalls due to increases in enrollment. At the same time, state budgets are squeezed tighter than ever before as tax revenues plummet. The need to recover and retain the GAO's estimated 10% of Medicaid payments currently being lost to fraud is paramount. Utilizing advanced data mining techniques, along side traditional claims system checks with clinician reviews, can make fraud identification and recovery considerably more efficient and robust, putting the money back where it belongs.

IF YOUR STATE IS STRUGGLING TO LOWER FRAUD AND RECOVER FUNDS, CONTACT US TODAY AT 1.800.327.8627 OR VISIT WWW.PBINSIGHT.COM FOR MORE INFORMATION ON HOW TO PUT PITNEY BOWES BUSINESS INSIGHT SOLUTIONS TO WORK FOR YOU.

Medicaid Fraud Detection Using Data Quality and Geographic Analysis

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United States GAO. Medicaid Integrity: Implementation of New Program Provides Opportunities for Federal Leadership to Combat Fraud and Abuse, March 28, 2006.

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