

# Application Managed Services



## Managing claims editing is complicated

Few health plans get the most out of their claims editing system. Health plans of all sizes face multiple challenges around:

- Having extra resources with expertise and time to keep up with technical and configuration details
- Managing regulatory and clinical content

## Solving editing challenges

Claims Edit System (CES) by Optum is a trusted solution that enables health plans to:

- Automatically edit claims for clinical coding and billing errors against an expansive set of industry rules, regulations and policies
- Enable the creation of custom data-driven rules specific to your payment policies and provider contracts to drive payment accuracy and transparency while reducing administrative spend

### Optum® Claims Edit System detects coding errors related to:

- Place of service
- Modifier appropriateness
- Procedure to diagnosis
- Frequency
- Unbundling
- Many other complex coding relationships

CES detects coding errors based on guidelines from generally accepted third-party industry sources. These include the American Medical Association (AMA), the Centers for Medicare & Medicaid Services (CMS) and published specialty-specific coding rules.

Coding error types range from place of service, modifier appropriateness, procedure to diagnosis, frequency, unbundling and many other complex coding relationships. CES content is updated and packaged into knowledge bases as regulatory changes persist and new rules are created.

## Maximizing CES technology with AMS

As an add-on service to CES, Application Managed Services (AMS) appoints a dedicated team that provides ongoing assistance to help you manage and maximize your CES. The team supports you throughout the CES life cycle by:

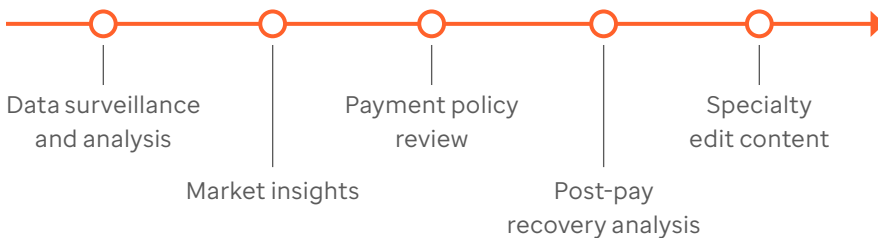
- Operating and maintaining the software
- Driving incremental savings
- Implementing best practices

They work with you to develop, evolve and refine strategies that may contribute to growth and innovation.

## Identifying actions and improvements

Our physician-led ideation team combines many levers to detect cost-saving opportunities for your health plan. Levers include available observations and data and analytics to help increase savings and ROI of your CES.

The team generates custom edits by reviewing high-volume CPT® codes against health plan policies. They leverage concepts from across the nation to help ensure claims are accurate before they are paid. The process includes opportunity detection, validation, tactical planning, implementation and impact assessment. It ensures evidence-based care is covered in a fair and appropriate manner according to your existing contracts and policies.



## Case study

A national health plan based on the West Coast wanted to set up a claims editing program that aligned with regulatory guidelines and corporate policies across their broad network.

- Realized **\$100M incremental savings**, a >50% growth over previous year savings (pre-AMS involvement)
- **1,050 new edits deployed** through the AMS 5-phase process to ensure transparency, quality and efficiency
- **26 releases scheduled** every two weeks to allow resource planning and regular execution



## Ideation detects cost-saving opportunities:

- Identify system rules not in use that can be leveraged
- Review policies to ensure enforcement through editing
- Analyze high-hitting codes for potential custom edit opportunity
- Leverage industry trends from across client portfolio
- Helps ensure claims are accurate before they are paid

## Relieving the editing burden

The Optum AMS team relieves the burden of keeping edits up to date by augmenting and supporting your staff. Your health plan retains control of policy, compliance and contracting. Health plans gain many potential benefits with Optum AMS:

- Maximized CES features through proactive communications and ongoing education provided by your Optum AMS team
- Customized rules easily using the flexible, efficient business rules engine
- Increased medical savings through persistent ideation
- Decreased administrative costs by detecting cost-saving opportunities
- Enforced correct coding and policies through up-to-date edits
- Actionable insights from our reporting such as your CES results, monthly savings and edit performance, yearly savings health check or emerging trend concepts

## Specialty content supported by AMS

The expansive Optum research and development team, led by physicians and clinical experts, has curated content to address clinical domains that focus on high-trending spend areas. These are areas where costs are rising due to advances in clinical technology and may require rapid response such as policy support and advocacy. The Optum AMS team and Optum clinical experts work with your team to develop a strategy to implement and support the content. Specialty medical domains include emergency department, specialty pharmacy and more.

## Ensuring your CES stays healthy

The AMS team keeps your CES healthy by using a multi-faceted, holistic approach:

- Supporting your CES with dedicated technical staff to manage clinical edits, rule customization, system configuration
- Optimizing your Optum CES and clean up any underperforming rules
- Upgrading system and knowledge base regularly, ensuring you have the latest edits, software updates and supporting content
- Creating custom reports to give you insights into savings, edit effectiveness, trends and more

\* Savings based on individual client results. Your results may vary.



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# \$96 PMPY\*

Medicaid total savings with AMS

- ▲ Increase of \$42 compared to savings without AMS

# \$75 PMPY\*

Medicare total savings with AMS

- ▲ Increase of \$27 compared to savings without AMS

# \$60 PMPY\*

Commercial total savings with AMS

- ▲ Increase of \$24 compared to savings without AMS

**To learn how Optum applies this guidance, contact us today:**

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