

How APS Uses Diagnostic Codes to Save Money



The state of medical billing for workers' compensation cases across the U.S. is simple: Providers send as many bills as they can, while overworked adjusters struggle to keep up with the flow. The manual process employed by the vast majority of adjusters is unprepared to reject the influx of bills where the condition is rare in workers' compensation or not related to the specific workers' compensation case.

Here's an example: The claimant, suffering from lower back pain from a slip and fall, visits the provider for an unrelated shoulder issue. The provider sends the bill for payment. However, in the sea of bills the adjuster does not notice that the treatment in the bill is not covered under the patient's case and processes the bill for payment.

Seeing this as a common issue, Adaptive Processing Solutions has the answer: Rarity/Relatedness Review

Rarity/Relatedness Review from APS is a rules-based system that is accessed through an API from client's bill review system to detect bills with diagnosis codes unlikely to be related to a compensable worker's compensation injury, sorting them into multiple categories:

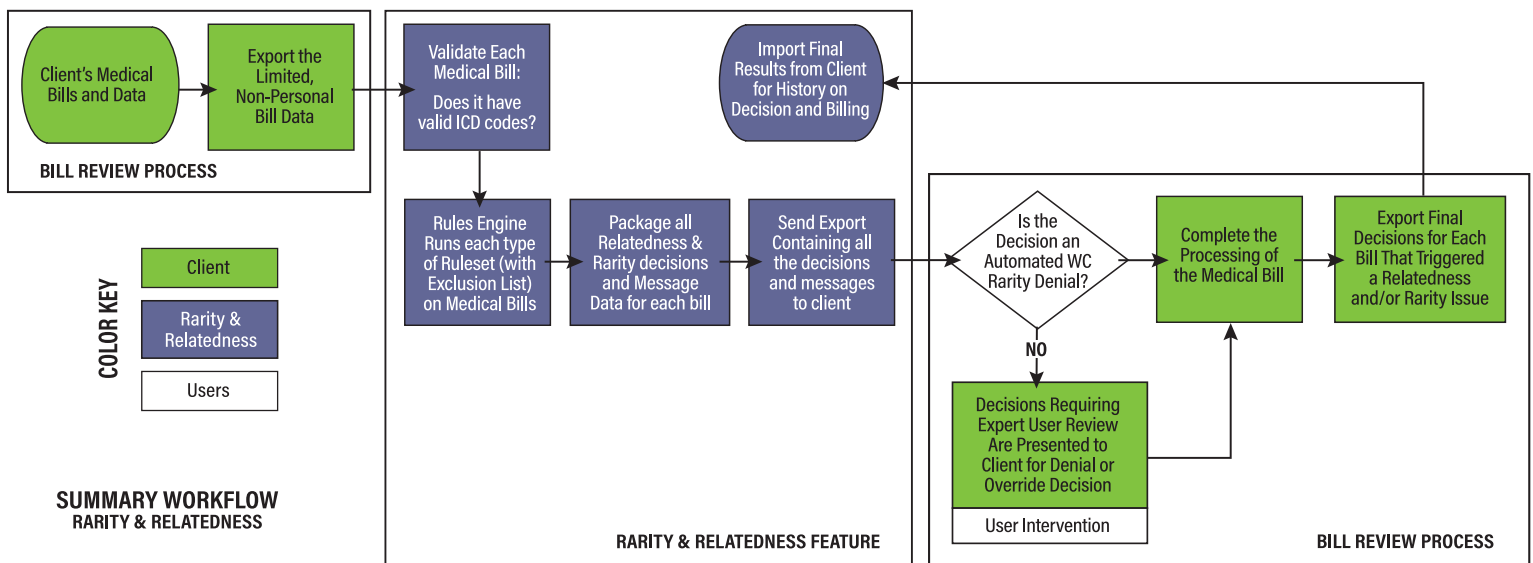
RELATEDNESS

- **Unrelated** - ICD codes on the bill do not correlate with the accepted body parts for the claim.
- **Related** - No relatedness rules are triggered as the billed diagnosis code correlates with the accepted body parts for the claim.

RARITY

- **Auto Deny** - ICD codes with very high probability of being unrelated to a compensable worker's compensation injury.
- **Manual Deny** - ICD codes that are unlikely related to a compensable worker's compensation injury that are flagged for review by an adjuster. Bills can be either Auto Denied or reviewed by Adjuster/Clinical resources prior to applying a denial determination.
- **No Rarity Issue** - ICD codes that are often billed in worker's compensation injuries.

RARITY/RELATEDNESS REVIEW Work Flow



SERVICE COMPONENTS:

To ensure accurate review and sorting, as well as minimal integration requirements, Rarity/Relatedness Review offers a number of advanced processing rules at various points during the process:

INITIAL INTAKE

- Light bill level data field intake (no HIPA). Includes all billed Diagnosis Codes.
- Claim level info - Identify claim, jurisdiction, and accepted claim conditions (body parts).

RARITY/RELATEDNESS SCORING

- Compare bill level diagnosis codes to proprietary workers' compensation rarity diagnosis list.
- Combinations scored as "Auto Deny" or "Manual Deny."
- If all combinations are scored as "Auto Deny," the bill is marked "Auto Deny."
- If all combinations are scored as "Manual Deny," or a combination of "Auto/Manual Deny," then the bill is marked "Manual Deny."
- Otherwise, bill is returned indicating that no rarity indicators were found.

EXCEPTION PROCESSING

- Ability to skip bills based on client, jurisdiction, state, provider, and claim, or specific combinations.

RETURN SCORING FEED TO CLIENT

- Light bill level unique identifying information.
- APS Scoring
Scores - "Auto Deny," "Manual Deny," and "No Rarity Issue."
Message - Indicates rarity issues found for specific diagnosis codes.
Example: *** AUTO-DENY *** - These DX Codes are not commonly WC related: M16.0 - Bilateral primary osteoarthritis of hip.

CLIENT FINAL DISPOSITION FEED

- Light bill level unique identifying information.
- Final Client Disposition:
APS Denial Applied.
- Denial Overridden with Reason Code.

INVOICING AND REPORTING

- Coordinate initial and re-evaluated transactions and savings for monthly invoicing and performance reporting.

CLIENT RARITY/RELATEDNESS ANALYSIS METRICS

Scenario	Count of Bills	Provider Charges	Bill Review Paid	% of Bills	% of Charges	% of Paid
Non-Recon Bills (Starting Set of Bills)	200,000	\$360,000,000	\$150,000,000	100.0%	100.0%	100.0%
Total Relatedness Message Generated	38,487	\$133,158,884	\$56,726,240	19.2%	37.0%	37.8%
Manual Relatedness Messages Removed	19,922	\$68,926,944	\$29,363,166	10.0%	19.1%	19.6%
Total Adjuster Reviewed for Relatedness post reductions	18,565	\$64,231,940	\$27,363,074	9.3%	17.8%	18.2%
All Rarity Message Generated	30,675	\$93,077,755	\$40,740,840	15.3%	25.9%	27.2%
Rarity - Auto Deny Messages Removed	2,194	\$6,657,297	\$2,913,950	1.1%	1.8%	1.9%
Manual Rarity Messages Removed	7,387	\$22,414,519	\$9,811,005	3.7%	6.2%	6.5%
Total Adjuster Reviewed for Rarity Post Reductions	21,094	\$64,005,939	\$28,015,885	10.5%	17.8%	18.7%
All Other Messages Generated	13,000	\$30,024,000	\$12,510,000	6.5%	8.3%	8.3%
Total Messages Generated For Adjuster Review	52,659	\$158,261,879	\$67,888,959	26.3%	44.0%	45.3%
Relatedness RTPs	6,247	\$24,415,374	\$9,901,801	3.1%	6.8%	6.6%
Rarity RTPs	3,087	\$9,658,493	\$4,024,671	1.5%	2.7%	2.7%
All Other Messages RTPs	2,770	\$8,160,403	\$3,236,960	1.4%	2.3%	2.2%
Total Return To Provider (RTP) Activity	12,104	\$42,234,269	\$17,163,431	6.1%	11.7%	11.4%
Relatedness RTPs Never Returning	5,310	\$20,753,068	\$8,416,531	2.7%	5.8%	5.6%
Rarity RTPs Never Returning	2,624	\$8,209,719	\$3,420,970	1.3%	2.3%	2.3%
All Other Messages RTPs Never Returning	2,354	\$6,936,343	\$2,751,416	1.2%	1.9%	1.8%
Total Return To Provider (RTP) Never Paid	10,288	\$35,899,129	\$14,588,917	5.1%	10.0%	9.7%