

The Art of

Benchmarking Risk

Without Needing a Statistics Degree



1



What We Are Going To Cover

- 1 *Why Benchmark to Begin With?*
- 2 *The Analyses You Should Consider*
- 3 *How to Identify Outliers*
- 4 *How to Build Your Audit Plan*



2

Why Benchmark to Begin With? Reactive Auditing Trend

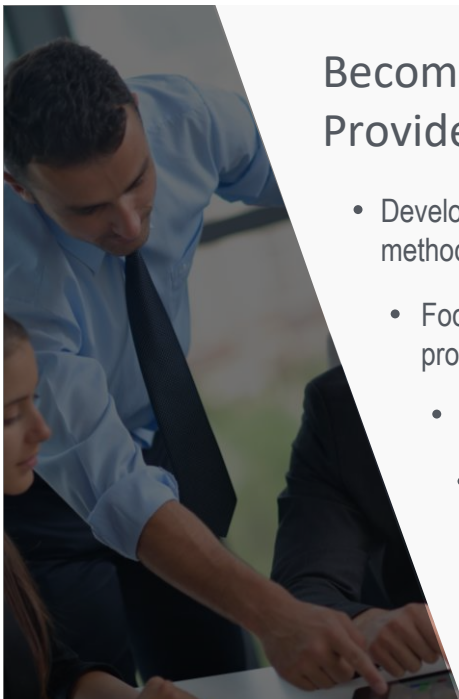
- The current reactive approach to auditing and monitoring
 - Just responding to audit requests
 - Conducting documentation reviews entirely in random
 - Benchmarking without a set action plan
- Reasons why this reactive approach is still being used
 - Data issues
 - Understanding benchmarking
 - Restricted FTE and tech resources
 - Fear of knowing



3

Becoming Proactive with Provider Benchmarking

- Develop benchmarking and data analytic capabilities that mirror methods being used by the OIG, DOJ, CMS etc.
- Focus your limited auditing and monitoring resources towards providers based on risk
 - Reduce workload on the auditing team
 - Provide transparency throughout the organization and increase the effectiveness of strategic planning
 - Due diligence of new practices



4

Type	Contractors	Comments
Medicare Administrative Contractors (MACs)	<ul style="list-style-type: none"> National Government Services 	<ul style="list-style-type: none"> Process claims and provider payments Reduce payment error rates
Zone Program Integrity Contractors (ZPICs)	<ul style="list-style-type: none"> Cahaba Safeguard Administrators 	<ul style="list-style-type: none"> Focus on identifying fraud All providers Data mining and analysis
Supplemental Medical Review Contractor (SMRC)	<ul style="list-style-type: none"> Strategic Health Solutions 	<ul style="list-style-type: none"> Nationwide claim review All providers Data mining and analysis
Comprehensive Error Rate Testing Contractors (CERT)	<ul style="list-style-type: none"> Multiple contractors 	<ul style="list-style-type: none"> Annual audits to determine FFS error rates All provider types
Recovery Audit Contractors (RACs)	<ul style="list-style-type: none"> CGI Technologies (Medicare) HMS (Medicaid) 	<ul style="list-style-type: none"> Identify over and under payment errors
DHHS – Office of Inspector General (OIG)	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Audits and investigations Annual Work Plan published
Department of Justice (DOJ)	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Enforcement actions under the False Claims Act
Medicaid Inspector General	<ul style="list-style-type: none"> IL Dept. of Healthcare and Family Services 	<ul style="list-style-type: none"> Aggressively using extrapolation for repayment liabilities

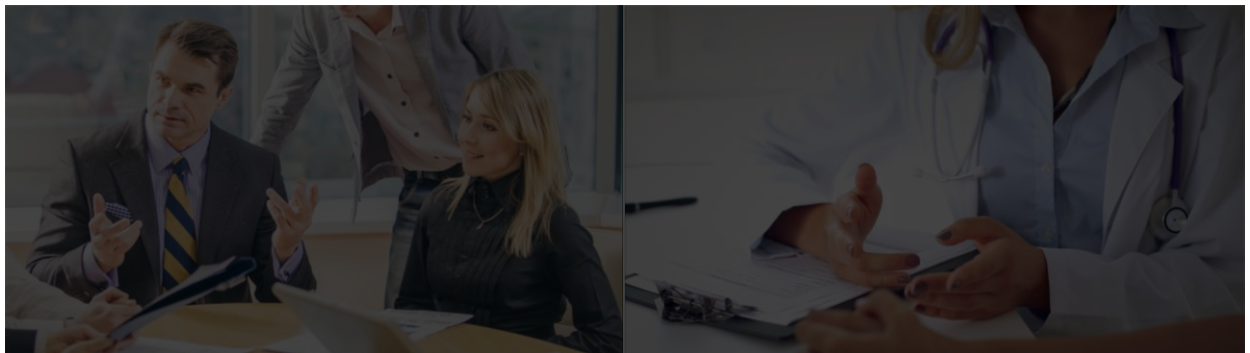
Who is

AUDITING ?

Healthcare Providers

An Example: Illinois

5



Availability of Provider Data Online

How easy it is to find out who your outliers are online...

Live Example

6

Wall Street Journal

J M. MAXWELL MD in 2015

\$269,247
Total payments

Cardiac Surgery
500 W BROADWAY ST SUITE 320 | MISSOULA, MONT.

Year	Total Payments	Number of Patients	Payments per Patient
2015	\$269,247	284	\$948
2014	\$317,441	273	\$1,163
2013	\$274,684	233	\$1,179
2012	\$309,666	177	\$1,750

Provider Comparison

NATIONALLY STATEWIDE

How J M. MAXWELL MD compares to 6 other providers in Montana specializing in Cardiac Surgery:

2015	Total Payments: \$269,247 100th percentile statewide	Number of Patients: 284 100th percentile statewide	Payments per Patient: \$948 83rd percentile statewide
------	--	--	---

Provider's Services at a Glance, 2015

Types of services provided by J M. MAXWELL MD:

Category	Total reimbursed by Medicare	Percent of total reimbursements by Medicare
Surgeries and procedures	\$170,232	63.2%
Evaluation and management	\$27,146	10.1%

Note: Category totals may not add up to a provider's total payments because information about a provider's specific services to fewer than 11 Medicare patients is suppressed by Medicare.

7

Data.CMS.gov

Medicare Provider Utilization and Payment Data: Physician and Other Supplier PUF ...

CPT copyright: 2016 American Medical Association. All Right Reserved. This dataset is subject to the AMA click-agreement. If you have ...
visited this dataset without the click through agreement please, acknowledge your agreement here: <https://data.cms.gov/medicare-provider-utilization-and-payment-data-physician-and-other-supplier-puf>

Get Started Developers Sign In
More Views Filter Visualize Export Discuss Embed About

Location Indicator	Place of Service	HCPCS Code	HCPCS Description	HCPCS Drug Indicator	Number of Services	Number of Medicare Beneficiaries	Number of Payments
F		99217	Hospital observation care discharge	N	100	96	
F		99218	Hospital observation care typically 30 minutes	N	26	25	
F		99219	Hospital observation care typically 50 minutes	N	52	51	
F		99220	Hospital observation care typically 70 minutes per day	N	59	59	
F		99221	Initial hospital inpatient care, typically 30 minutes per day	N	16	16	
F		99222	Initial hospital inpatient care, typically 50 minutes per day	N	59	57	
F		99223	Initial hospital inpatient care, typically 70 minutes per day	N	114	110	
F		99232	Subsequent hospital inpatient care, typically 25 minutes per day	N	627	233	
F		99233	Subsequent hospital inpatient care, typically 35 minutes per day	N	207	127	
F		99239	Hospital discharge day management, more than 30 minutes	N	341	291	
F		99291	Critical care delivery critically ill or injured patient, first 30-74 minutes	N	36	23	
F		88304	Pathology examination of tissue using a microscope, moderately lo...	N	268	249	
F		88305	Pathology examination of tissue using a microscope, intermediate c...	N	6,162	3,481	
F		88312	Special stained specimen slides to identify organisms including inte...	N	438	289	
F		88313	Special stained specimen slides to examine tissue including interpe...	N	86	63	
F		88321	Surgical pathology consultation and report	N	27	27	

< Previous Next >

Showing Provider/HCPCS 1-100 out of 9,847,443

Data.CMS.gov

A federal government website managed by the Centers for Medicare & Medicaid Services, 7500 Security Boulevard, Baltimore, MD 21244

SIGN UP FOR EMAIL UPDATES Data.CMS.gov OpenPayments.Data.CMS.gov Data.Medicare.gov Data.Medicaid.gov Data.HealthCare.gov FOIA No Fear Act Privacy Policy Privacy settings FAQ's CMS contact info

CMS Online Tools

8

What Analyses You Should Consider?



01

E/M Distribution

02

High Risk Modifiers

03

Top Billed Procedures

04

High Productivity Providers

- CMS Utilization Raw Data
 - Sub-Specialty Bias
 - Payer Mix Bias
- MGMA – Surveys and Benchmarking Data
 - Understand Volume of Data Included (Total / Specialty / Locality)
- CMS Utilization & Payments Data
 - Line Item Data Not Included on Services Performed on Small Number of Patients

Understanding Peer Group Data



20	Physician/Orthopedic Surgery	207X0000X 207XS0114X 207XX0004X 207XS0106X 207XS0117X 207XX0801X 207XP3100X 207XX0005X	Allopathic & Osteopathic Physicians/Orthopaedic Surgery Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Adult Reconstructive Orthopaedic Surgery Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Foot and Ankle Surgery Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Hand Surgery Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Orthopaedic Surgery of the Spine Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Orthopaedic Trauma Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Pediatric Orthopaedic Surgery Allopathic & Osteopathic Physicians/Orthopaedic Surgery, Sports Medicine
----	------------------------------	---	--

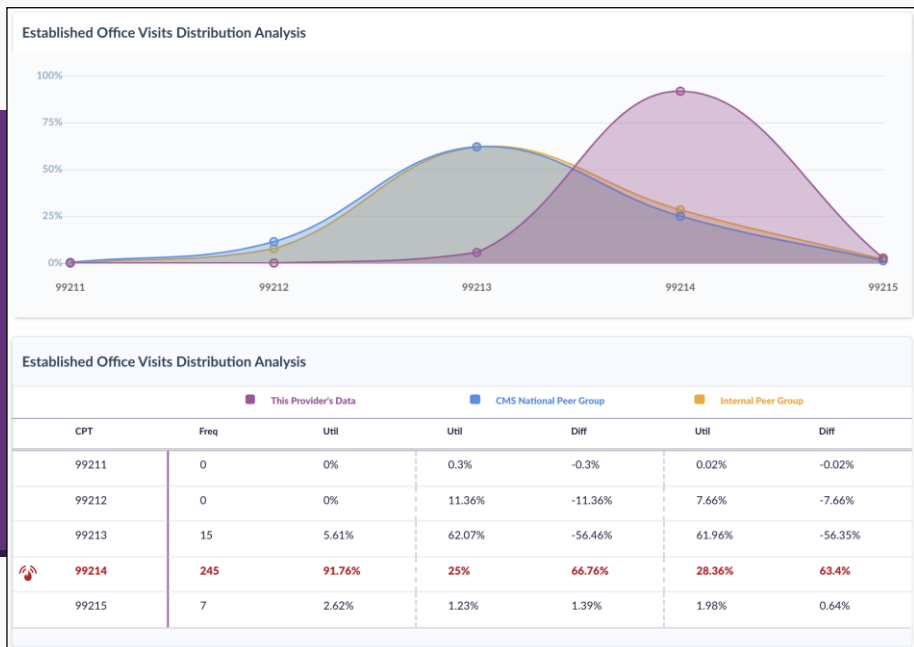
Example of CMS Sub-Specialty Bias

- Understanding the make-up of the peer group data is critical when attempting to make determinations on the results



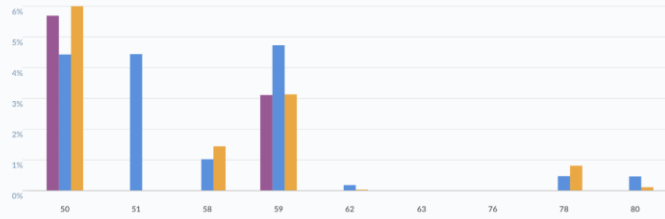
11

E/M Distribution Analysis



12

Reimbursement Modifier Utilization Analysis



Reimbursement Modifier Utilization Analysis

Reimbursement Modifier Utilization Analysis							
<div> <div></div> This Provider's Data <div></div> CMS National Peer Group <div></div> Internal Peer Group </div>							
Modifier	Description	Freq	Util	Util	Diff	Util	Diff
50	Bilateral Procedure	22	5.68%	4.42%	1.26%	5.99%	-0.31%
51	Multiple Procedures	0	0%	4.43%	-4.43%	0%	0%
58	Staged or Related Procedure...	0	0%	1.01%	-1.01%	1.43%	-1.43%
59	Distinct Procedural Service	12	3.1%	4.72%	-1.62%	3.12%	-0.02%
62	Two Surgeons	0	0%	0.17%	-0.17%	0.02%	-0.02%
63	Procedure Performed on Inf...	0	0%	0%	0%	0%	0%
76	Repeat Procedure or Service...	0	0%	0%	0%	0%	0%
78	Unplanned Return to the Op...	0	0%	0.46%	-0.46%	0.8%	-0.8%
80	Assistant Surgeon	0	0%	0.45%	-0.45%	0.1%	-0.1%

High Risk Modifier Analysis

Focus On

- 24
- 25
- 58
- 59
- 62
- 63
- 76
- 78
- 80
- AS

13

All Services Billed (00100 - 99499)

All Services Billed (00100 - 99499)									
<div> <div></div> This Provider's Data <div></div> CMS National Peer Group </div>									
Rank	CPT	Description	Fee	Freq	Util	Gross Charges	Rank	Util	Diff
1	99214	Office/outpatient visit est	\$109.44	245	30.39%	\$26,812.50	3	6.66%	23.73%
2	99204	Office/outpatient visit new	\$167.40	147	18.23%	\$24,607.52	13	1.71%	16.52%
3	99024	Postop follow-up visit	\$0.00	122	15.13%	\$0.00	14	1.37%	13.76%
4	73564	X-ray exam knee 4 or more	\$40.32	104	12.9%	\$4,193.23	12	1.88%	11.02%
5	73030	X-ray exam of shoulder	\$29.88	32	3.97%	\$956.14	8	2.74%	1.23%
6	29881	Knee arthroscopy/surgery	\$561.59	24	2.97%	\$13,478.25			
7	29827	Arthroscop rotator cuff repr	\$1,093.31	16	1.98%	\$17,492.92			
8	99213	Office/outpatient visit est	\$74.16	15	1.86%	\$1,112.38	1	16.55%	-14.69%
9	29826	Shoulder arthroscopy/surgery	\$183.24	14	1.73%	\$2,565.33			
10	29824	Shoulder arthroscopy/surgery	\$690.83	12	1.48%	\$8,289.98			
11	29888	Knee arthroscopy/surgery	\$1,021.67	7	0.86%	\$7,151.68			
12	99215	Office/outpatient visit est	\$147.60	7	0.86%	\$1,033.18			
13	73560	X-ray exam of knee 1 or 2	\$31.68	7	0.86%	\$221.75	10	2.19%	-1.33%

Top Billed Procedures

All Service Types Included

14

Top Billed Procedures

Only Surgical Services Included

Only Surgical Services Billed with a Fee > \$0 (10040 - 69990)									
This Provider's Data					CMS National Peer Group				
Rank	CPT	Description	Fee	Freq	Util	Gross Charges	Rank	Util	Diff
1	29881	Knee arthroscopy/surgery	\$561.59	24	24.48%	\$13,478.25	16	0.76%	23.72%
2	29827	Arthroscop rotator cuff repr	\$1,093.31	16	16.32%	\$17,492.92	14	0.88%	15.44%
3	29826	Shoulder arthroscopy/surgery	\$183.24	14	14.28%	\$2,565.33	10	1.05%	13.23%
4	29824	Shoulder arthroscopy/surgery	\$690.83	12	12.24%	\$8,289.98	25	0.52%	11.72%
5	27447	Total knee arthroplasty	\$1,408.30	7	7.14%	\$9,858.13	3	4.12%	3.02%
6	29888	Knee arthroscopy/surgery	\$1,021.67	7	7.14%	\$7,151.68			
7	20610	Drain/inj joint/bursa w/o us	\$61.92	6	6.12%	\$371.51	1	41.01%	-34.89%
8	20985	Cptr-asst dir ms px	\$153.36	3	3.06%	\$460.07			
9	29828	Arthroscopy biceps tenodesis	\$943.19	2	2.04%	\$1,886.37			
10	29877	Knee arthroscopy/surgery	\$644.39	2	2.04%	\$1,288.78			

15

JEFFREY D. MENDELSON MD in 2015



\$888,476
Total payments

Orthopedic Surgery
11900 E 12 MILE RD SUITE 110 | WARREN, MICH.

Year	Total Payments	Number of Patients	Payments per Patient
2015	\$888,476	1,227	\$724
2014	\$1,070,623	1,276	\$839
2013	\$1,136,984	1,156	\$984
2012	\$1,172,712	1,338	\$876

Provider Comparison

NATIONALLY STATEWIDE

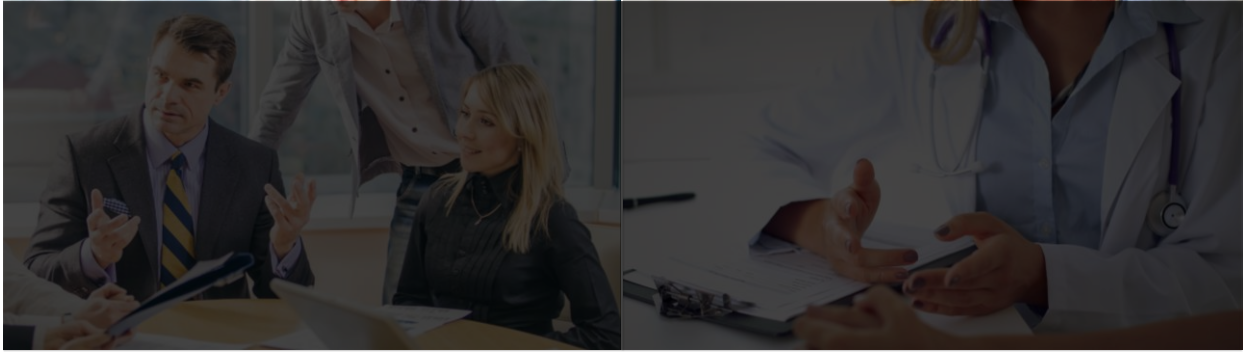
How JEFFREY D. MENDELSON MD compares to 677 other providers in Michigan specializing in Orthopedic Surgery:

2015	Total Payments: \$888,476 100th percentile statewide	Number of Patients: 1,227 100th percentile statewide	Payments per Patient: \$724 95th percentile statewide
------	--	--	---

High Productivity Analysis

Medicare Payments

16



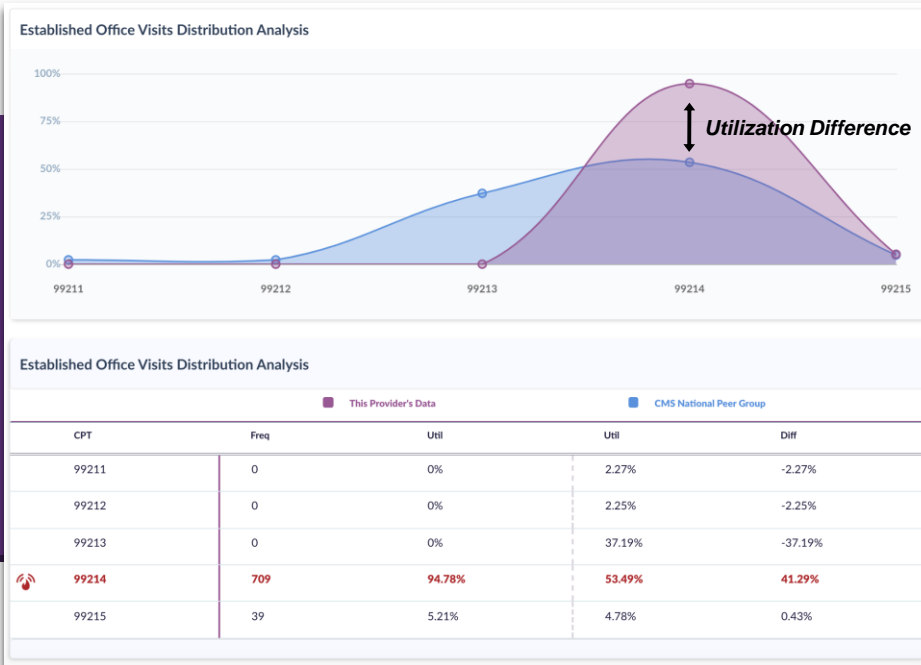
Analysis Construction Walk-Through

The Do It Yourself Version

View Excel Example



17



18

New Office Visits

Code	Frequency	Medicare Allowable	Estimated Charges	Provider Utilization	Peer Group Utilization	Utilization Difference	ReDistributed Frequency	ReDistributed Estimated Charges	Charge Differential
99201	0	\$ 45.36	\$0	0.00%	0.48%	-0.48%	1	\$33	\$33
99202	0	\$ 76.32	\$0	0.00%	6.72%	-6.72%	10	\$780	\$780
99203	5	\$ 109.80	\$549	3.29%	67.99%	-64.70%	103	\$11,347	\$10,798
99204	147	\$ 167.40	\$24,608	96.71%	23.05%	73.66%	35	\$5,865	(\$18,743)
99205	0	\$ 210.60	\$0	0.00%	1.74%	-1.74%	3	\$557	\$557
Totals	152		\$25,157	100.00%	99.98%		152	\$18,582	(\$6,575)

Establish Office Visits

Code	Frequency	Medicare Allowable	Estimated Charges	Provider Utilization	Peer Group Utilization	Utilization Difference	ReDistributed Frequency	ReDistributed Estimated Charges	Charge Differential
99211	0	\$ 21.96	\$0	0.00%	2.27%	-2.27%	17	\$372	\$372
99212	0	\$ 44.64	\$0	0.00%	2.25%	-2.25%	17	\$749	\$749
99213	0	\$ 74.16	\$0	0.00%	37.19%	-37.19%	277	\$20,575	\$20,575
99214	707	\$ 109.44	\$77,374	94.77%	53.49%	41.28%	399	\$43,670	(\$33,704)
99215	39	\$ 147.60	\$5,756	5.23%	4.78%	0.45%	36	\$5,263	(\$493)
Totals	746		\$83,130	100.00%	99.98%		746	\$70,630	(\$12,501)

19

	A	B	C	D	E	F	G	H	I	J	K	L
	Rank	CPT	Description	Fee		Freq	Util	Gross Charges		Rank	CMS Util	CMS Diff
1	1	45385	Colonoscopy w/lesion removal	\$436.68		65	17.01%	\$28,383.88		8	1.62%	15.39%
2	2	45384	Colonoscopy w/lesion removal	\$461.87		51	13.35%	\$23,555.61				
3	3	43239	Egd biopsy single/multiple	\$352.08		40	10.47%	\$14,083.04		4	3.02%	7.45%
4	4	45378	Diagnostic colonoscopy	\$324.72		15	3.92%	\$4,870.74		9	1.50%	2.42%
5	5	45388	Colonoscopy w/ablation	\$3,303.32		15	3.92%	\$49,549.84				
6	6	45380	Colonoscopy and biopsy	\$415.80		14	3.66%	\$5,821.13		7	1.84%	1.82%
7	7	43249	Esoph egd dilation <30 mm	\$1,045.07		12	3.14%	\$12,540.82				
8	8	49650	Lap ing hernia repair init	\$446.04		10	2.61%	\$4,460.35		14	1.13%	1.48%
9	9	47562	Laparoscopic cholecystectomy	\$685.43		10	2.61%	\$6,854.32		5	2.84%	-0.23%
10	10	45398	Colonoscopy w/band ligation	\$701.99		9	2.35%	\$6,317.92				
11	11	45381	Colonoscopy submucous njx	\$397.80		9	2.35%	\$3,580.16				
12	12	11046	Deb musc/fascia add-on	\$75.24		6	1.57%	\$451.43		3	3.53%	-1.96%
13	13	11045	Deb subq tissue add-on	\$42.48		6	1.57%	\$254.87		2	4.52%	-2.95%
14	14	44205	Lap colectomy part w/ileum	\$1,395.70		5	1.30%	\$6,978.52				
15	15	44970	Laparoscopy appendectomy	\$626.39		5	1.30%	\$3,131.96				
16	16	19366	Breast reconstruction	\$1,463.74		4	1.04%	\$5,854.97				
17	17	19301	Partial mastectomy	\$675.71		4	1.04%	\$2,702.84		12	1.37%	-0.33%
18	18	24075	Exc arm/elbow les sc < 3 cm	\$506.87		4	1.04%	\$2,027.49				
19	19	49587	Rpr umbil hern block > 5 yr	\$494.63		4	1.04%	\$1,978.53				
20	20	45990	Surg dx exam anorectal	\$111.60		4	1.04%	\$446.39				
21	21	44207	L colectomy/coloproctostomy	\$1,899.34		4	1.04%	\$7,597.35				
22	22	49322	Laparoscopy aspiration	\$384.84		3	0.78%	\$1,154.50				
23	23	38900	Io map of sent lymph node	\$143.64		3	0.78%	\$430.91		19	0.93%	-0.15%
24	24	38525	Biopsy/removal lymph nodes	\$454.31		3	0.78%	\$1,362.94		13	1.30%	-0.52%
25	25	12032	Intmd rpr s/a/t/ext 2.6-7.5	\$309.96		2	0.52%	\$619.91				
26												
27												

20

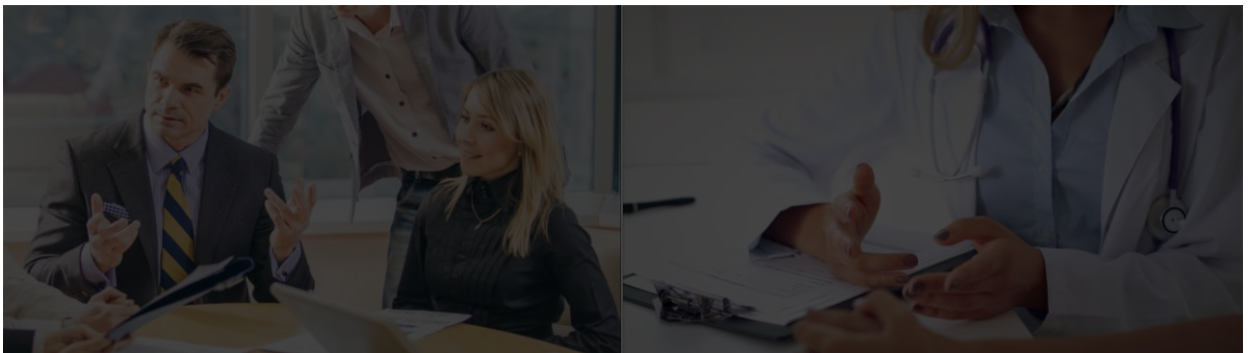


How to Identify Outliers: Use Risk Thresholds

- Creates a standardized approach to know when a provider is an outlier
- Streamlines the analysis process by filtering out the providers that are not a risk
- Scorecards can be created by combining multiple analysis thresholds together



21



How to Build Thresholds into your Analysis Results


View Excel Example



22

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	NPI	99211 Freq	99212 Freq	99213 Freq	99214 Freq	99215 Freq		99216 Freq	99217 Freq	99218 CMS Diff	99219 CMS Diff	99220 CMS Diff	99221 CMS Diff	99222 CMS Diff
2	1003129958	0	7	276	201	45	###	-0.46%	23.27%	-16.39%	-4.56%			
3	1003171539	0	5	18	10	1	###	5.06%	-0.31%	-2.20%	-0.96%			
4	1003234162	0	0	52	8	0	###	-2.25%	49.47%	-40.16%	-4.78%			
5	1003278268	0	2	380	233	3	###	-1.87%	22.09%	-15.67%	-2.61%			
6	1003836107	0	0	0	0	130	###	-1.65%	-25.51%	-56.32%	83.91%			
7	1003846171	0	2	71	0	0	###	-11.01%	44.75%	-31.92%	-0.99%			
8	1003848243	0	19	108	103	10	###	5.66%	7.81%	-10.58%	-0.62%			
9	1003848458	0	8	13	11	6	###	3.20%	-15.38%	2.64%	10.88%			
10	1003849407	0	1	10	779	15	###	-2.13%	-35.95%	43.28%	-2.92%			
11	1003850645	2	4	45	471	173	###	-1.21%	-22.43%	13.38%	11.83%			
12	1003851825	0	0	0	1	0	###	-2.25%	-37.19%	46.51%	-4.78%			
13	1003870395	0	12	77	2	0	###	10.93%	47.42%	-51.30%	-4.78%			
14	1003878000	0	0	208	10	0	###	-2.19%	56.02%	-48.79%	-3.09%			
15	1003882994	0	0	0	2	27	###	-2.17%	-23.22%	-54.39%	81.99%			
16	1003891250	0	5	111	57	19	###	-1.28%	13.23%	-16.29%	4.87%			
17	1003925629	0	7	117	320	42	###	-0.75%	-15.32%	12.47%	5.55%			
18	1003951617	0	3	198	643	24	###	-1.85%	-16.58%	20.70%	-0.33%			
19	1003992389	2	17	57	22	1	###	7.53%	4.32%	-9.39%	-2.89%			
20	1003994500	0	0	8	1	0	###	-5.73%	38.11%	-27.12%	-4.04%			
21	1003998519	0	4	239	303	8	###	-1.47%	3.75%	1.32%	-1.65%			
22	1013024546	0	1	170	272	5	###	-1.97%	-1.45%	7.34%	-1.98%			
23	1013086750	0	46	68	37	1	###	22.38%	-16.72%	-4.53%	-0.71%			
24	1013093475	0	0	9	113	19	###	-2.19%	-33.01%	26.77%	10.38%			
25	1013098821	0	0	332	338	5	###	-2.19%	9.79%	-3.30%	-2.35%			
26	1013139641	1	49	215	15	0	###	11.74%	25.85%	-32.82%	-3.18%			

23



	A	B	C	D	E	F	G
1	Provider	Specialty	Risk CPTs	CPT Freq	CPT Util	CPT Diff	
2	*	Cardiovascular Disease (Cardiology)	99215	217	28.36%	21.44%	
3	*	Hematology-Oncology	99215	274	99.27%	86.21%	
4	*	Internal Medicine	99214	709	94.78%	41.29%	
5	*	Neurosurgery	99214	209	80.38%	48.40%	
6	*	Internal Medicine	99214	415	93.46%	39.97%	
7	*	Internal Medicine	99214	456	79.72%	26.23%	
8	*	Internal Medicine	99215	153	45.26%	40.48%	
9	*	Anesthesiology	99214	288	86.22%	42.02%	
10	*	Internal Medicine	99214	408	91.27%	37.78%	
11	*	Vascular Surgery	99214	200	90.09%	63.76%	
12	*	Gastroenterology	99214	114	75.49%	29.52%	
13	*	Allergy/ Immunology	99214	451	77.49%	37.81%	
14	*	Internal Medicine	99214	130	85.52%	32.03%	
15	*	Rheumatology	99214	471	92.17%	28.68%	
16	*	Infectious Disease	99214	161	92.52%	42.63%	
17	*	Cardiovascular Disease (Cardiology)	99214	332	92.22%	28.80%	
18	*	Cardiovascular Disease (Cardiology)	99214	206	84.08%	20.66%	
19	*	Vascular Surgery	99214	207	94.95%	68.62%	
20	*	Rheumatology	99214	738	91.90%	28.41%	
21	*	Urology	99214	257	72.39%	34.22%	
22	*	Rheumatology	99214	668	97.23%	33.74%	
23	*	Nephrology	99214	124	88.57%	24.25%	
24	*	Rheumatology	99214	436	90.64%	27.15%	
25	*	Internal Medicine	99214	176	81.86%	28.37%	
26	*	Rheumatology	99214	421	97.22%	33.73%	

24

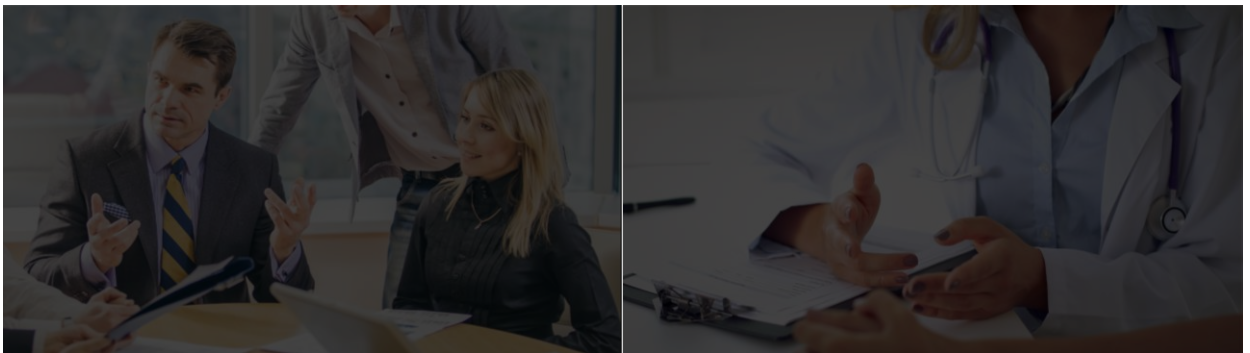


Creating an Audit Plan

- Understanding the Goal of the Audit
 - Yearly Compliance Coding Review
 - Due Diligence Project
 - Highly Compensated Providers
 - Outside Sources
- Build Prioritization Methodology
 1. What is the goal of the audit?
 2. What is your resource capacity?
 3. How do we operationally conduct audits?
 1. By Facility?
 2. Are auditors assigned specific groups of providers?



25



Actual Audit Plan Examples Utilized by Health Systems

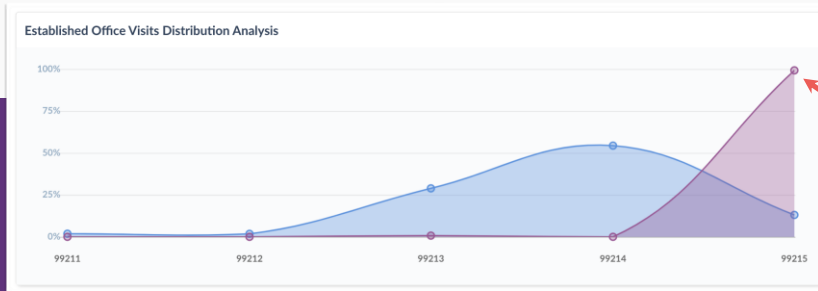
[View Excel Example](#)



26

	A	B	C	D	E	F	G	H
1	Risk Scenario	Provider Name	Specialty	E/M Estimated HMA Risk	E/M Risk	High Risk Modifiers	High Value Procedures	High Productivity
2	Multi Peak	*	Cardiovascular Disease (Cardiology)	-49367.1	99204, 99215, 99220, 99223, 99233, 99226			X
3	Multi Peak	*	Psychiatry	-26607.66	99223, 99233, 99239			
4	Multi Peak	*	Hematology-Oncology	-25054.66	99215, 99223, 99233			
5	Multi Peak	*	Internal Medicine	-23043.29	99204, 99214, 99233			X
6	Multi Peak	*	Family Practice	-20134.17	99223, 99233			X
7	Multi Peak	*	Psychiatry	-19675.14	99223, 99233, 99239			90792
8	Multi Peak	*	Neurosurgery	-17402.35	99204, 99214, 99244			X
9	Multi Peak	*	Gastroenterology	-15344.44	99204, 99223, 99233	51, 59	45380, 45385	X
10	Multi Peak	*	Internal Medicine	-15075.74	99204, 99214, 99223, 99233, 99244			X
11	Multi Peak	*	Internal Medicine	-13264.71	99204, 99214, 99223			
12	Multi Peak	*	Internal Medicine	-13224.16	99204, 99215, 99244			
13	Multi Peak	*	Vascular Surgery	-12809.74	99223, 99232			
14	Multi Peak	*	Internal Medicine	-12681.32	99223, 99233, 99226			
15	Multi Peak	*	Anesthesiology	-12656.9	99204, 99214, 99244			
16	Multi Peak	*	Internal Medicine	-12044.91	99204, 99214			93306
17	Multi Peak	*	Vascular Surgery	-11955.19	99204, 99214		25	
18	Multi Peak	*	Gastroenterology	-11427.2	99204, 99214, 99223, 99244	51, 59		45380
19	Multi Peak	*	Vascular Surgery	-11384.67	99204, 99244			
20	Multi Peak	*	Allergy/Immunology	-11307.18	99204, 99214, 99244			
21	Multi Peak	*	Internal Medicine	-10995.35	99204, 99214, 99223, 99233		25	
22	Multi Peak	*	Undefined Physician type	-10703.26	99233, 99226			
23	Multi Peak	*	Rheumatology	-10320.64	99205, 99214			
24	Multi Peak	*	Infectious Disease	-9825.17	99214, 99223			
25	Multi Peak	*	Physical Medicine and Rehabilitation	-9278.75	99223, 99232			
26	Multi Peak	*	Cardiovascular Disease (Cardiology)	-9005.49	99204, 99214, 99223, 99233			93306 X
27	Multi Peak	*	Gastroenterology	-8905.89	99204, 99223, 99244	51, 59		
28	Multi Peak	*	Neurology	-8846.62	99204, 99223, 99244			
29	Multi Peak	*	Cardiovascular Disease (Cardiology)	-8763.82	99204, 99214, 99223, 99244		25	
30	Multi Peak	*	Internal Medicine	-8741.19	99223, 99233			
31	Multi Peak	*	Vascular Surgery	-8157.14	99204, 99214			
32	Multi Peak	*	Psychiatry	-7952.93	99223, 99233			
33	Multi Peak	*	Internal Medicine	-7905.3	99220, 99223, 99233, 99226			
34	Multi Peak	*	Rheumatology	-7477.19	99204, 99214	25, 50, 51		

27



28

A	B	C	D	E	F	G
Risk Scenario	NPI	E/M Estimated HMA Risk	E/M Risk	High Risk Modifiers	High Value Procedures	High Productivity
Multi Peak	*	-49367.1	99204, 99215, 99220, 99223, 99233, 99226			X
Multi Peak	*	-26607.66	99223, 99233, 99239			
Multi Peak	*	-25054.66	99215, 99223, 99233			
Multi Peak	*	-23043.29	99204, 99214, 99233			X
Multi Peak	*	-20134.17	99223, 99233			X
Multi Peak	*	-19675.14	99223, 99233, 99239		90792	
Multi Peak	*	-17402.35	99204, 99214, 99244			X
Single Peak	*	-19922.58	99215, 99233, 99245			
Single Peak	*	-18809.17	99214, 99215, 99233			
Single Peak	*	-18806.44	99204, 99214	25, 51		
Single Peak	*	-17773.72		99214		90792
Single Peak	*	-17467.27	99204, 99215, 99244		25	
Single Peak	*	-17264.98		99214		
Single Peak	*	-16515.26	99214, 99233, 99310			
Single Peak	*	-14980.25		99214		
Single Peak	*	-14303.9		99214		29848 X
Non Peak	*	-32896.65	99205, 99215, 99245		25	
Non Peak	*	-25599.41		99215		
Non Peak	*	-25570.35	99205, 99215, 99233		51	
Non Peak	*	-23833.37		99215	25	
Non Peak	*	-22508.06	99214, 99215			
Non Peak	*	-22348.25		99215		
Non Peak	*	-20744.99	99205, 99215			
Non Peak	*	-20286.01		99215		

29

Provider Report Cards

• Providing Graphical Analytic Reporting

- Following Review to Example Why Provider was Audited
- General Coding Feedback
- Demonstrating Before and After Analysis to Providers for Behavioral Change

30

Physician Profile Report Card
Peer Group: Orthopedic Surgery
Analysis Date Range: 3rd Quarter 2018

What did we find?

Nektar Analytics categories audit risk into four distinct categories - each of these categories includes numerous statistical tests. For details of the tests within each category - reference the Appendix. Nektar Analytics only uses E/M billing for under-coding analysis.



Specific Areas of Focus

This is the summary of the specific tests that your billing has been identified as being "statistically different". These are the areas that Nektar Analytics would recommend further investigation and possible clinical chart reviews to ensure proper documentation standards are being met.

High Productivity

Nothing Identified

KPI

Evaluation & Management (Risk)

	Freq.	Util.	Peer Group Diff.
99204 - Office/outpatient visit new	147	96.71%	73.66%
99214 - Office/outpatient visit est	245	91.76%	66.76%

Risk Modifiers

Nothing Identified

High Value Procedures

Nothing Identified

Evaluation & Management (Revenue)

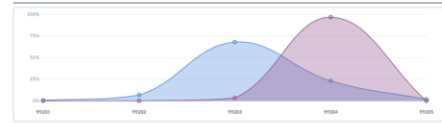
Nothing Identified

Physician Profile Report Card
Peer Group: Orthopedic Surgery
Analysis Date Range: 3rd Quarter 2018

E / M Bell Curve Analysis

These are your E/M distribution analysis per category - only categories that you have billed will have an analysis. Specific services that have been identified for Audit Risk or Revenue Potential are highlighted.

New Office Visits



CPT	Provider Freq.	Provider Util.	Peer Group Util.	Peer Group Util. Diff.
99201	0	0%	0.48%	-0.48%
99202	0	0%	6.72%	-6.72%
99203	5	3.28%	67.99%	-64.71%
99204	147	96.71%	23.05%	73.66%
99205	0	0%	1.74%	-1.74%

Established Office Visits



CPT	Provider Freq.	Provider Util.	Peer Group Util.	Peer Group Util. Diff.
99211	0	0%	0.3%	-0.3%
99212	0	0%	11.36%	-11.36%
99213	15	5.61%	62.07%	-56.46%
99214	245	91.76%	25%	66.76%
99215	7	2.62%	1.23%	1.39%

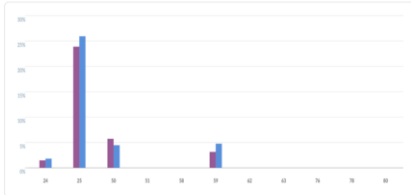
31

Physician Profile Report Card
Peer Group: Orthopedic Surgery
Analysis Date Range: 3rd Quarter 2018

How is your modifier billing?

High Risk Modifier Analysis

Nektar Analytics conducts statistical tests on a small subset of modifiers that have been readily identified by the Office of Inspector General (OIG) documentation as high risk. Specific modifiers that have been identified for Audit Risk are highlighted. Utilization is determined as a percentage of all services billed.



Modifier	Provider Freq.	Provider Util.	Peer Group Util.	Peer Group Util. Diff.
24 - Unrelated Evaluation and Management	4	1.43%	1.77%	-0.34%
25 - Significant, Separately Identifiable	100	23.84%	25.91%	-2.05%
50 - Bilateral Procedure	22	5.68%	4.42%	1.26%
51 - Multiple Procedures	0	0%	0%	0%
58 - Staged or Related Procedure	0	0%	0%	0%
59 - Distinct Procedural Service	12	3.11%	4.72%	-1.62%
62 - Two Surgeons	0	0%	0%	0%
63 - Procedure Performed on Infants	0	0%	0%	0%
76 - Repeat Procedure	0	0%	0%	0%
78 - Unplanned Return to the Procedure Room	0	0%	0%	0%
80 - Assistant Surgeon	0	0%	0%	0%

Physician Profile Report Card
Peer Group: Orthopedic Surgery
Analysis Date Range: 3rd Quarter 2018

How is your procedural billing?

Your Top Billed Surgical Services

This is a ranking of your most frequently billed surgical services (30040 - 69990). The peer group data of specific services are listed next to your utilization. If the peer group column is empty, that service does not appear on a consistent basis for this specialty.

Rank	CPT	Fee	Provider Freq.	Provider Util.	Gross Charges	Rank	Peer Group Util.	Peer Group Util. Diff.
1	29881	\$561.59	24	24.48%	\$13,478.25	16	0.75%	23.73%
2	29827	\$1,093.31	16	16.32%	\$17,492.92	14	0.87%	15.45%
3	29826	\$183.24	14	14.28%	\$2,565.33	10	1.04%	13.24%
4	29824	\$690.83	12	12.24%	\$8,289.98	25	0.51%	11.73%
5	27447	\$1,408.30	7	7.14%	\$9,858.13	3	4.07%	3.07%
6	29888	\$1,021.67	7	7.14%	\$7,151.68			
7	20610	\$61.92	4	4.12%	\$371.51	1	40.52%	-34.4%
8	30985	\$153.34	3	3.06%	\$460.07			
9	29877	\$464.39	2	2.04%	\$1,288.78			
10	29828	\$943.19	2	2.04%	\$1,886.37			
11	27786	\$325.44	1	1.02%	\$325.43			
12	23430	\$770.39	1	1.02%	\$770.39			
13	29882	\$725.75	1	1.02%	\$725.75			
14	29880	\$583.55	1	1.02%	\$583.55	22	0.57%	0.45%
15	23420	\$1,005.11	1	1.02%	\$1,005.10			

32



Audit Odds & Ends

- Sampling process/consideration:
 - Retrospective claims (prior 3 months)
 - Non-statistical sampling e.g. judgment sampling
 - Population is stratified (stratums) based on benchmarking
 - Sample size – small samples based on risk
 - Extrapolation – NONE
 1. Since the sample size was controlled by the auditor it cannot be measured
- Analysis of Sample
 - Provider documentation in comparison to CPT codes
 - Accuracy of diagnoses
 - Accuracy of place of service codes
 - Functionality an use of the EMR system



33



Using Benchmarking for Acquisitions – Due Diligence

- Benchmarking of data is key initial step in due diligence for physician employment or acquisitions
 - Identify potential risks prior to closing
 1. Go or No Go
 - Identify compliance issues
 - Identify opportunities for integration
 1. Education
 2. Coding and Billing Hold



34



Free Templates and Excls

Due to the switching of the in-person conference to a virtual conference - I was not able to utilize numerous excel templates that have all the formulas built-in.

Please email me if you want the following excel templates that will quickly get you started:

- *EM Bellcurve - with CMS Difference and Charges*
- *Modifer Analysis Template*
- *Do it Yourself Audit Plan Creation Template*
- *Example Provider Report Cards*

jkrawczyk@nektaranalytics.com



35



Questions & Contact Information

Please reach out if you have questions or need help starting risk assessment benchmarking and building a proactive audit plans.

Jared Krawczyk

Director of Analytics

jkrawczyk@nektaranalytics.com

www.nektaranalytics.com



36