

Employee Group Benefits Claim Audits

Allegiance and Delta Dental Insurance Company

Presented to



June 29, 2022



**CLAIM TECHNOLOGIES
INCORPORATED**

Audit Objectives

- The goals of CTI's medical and dental claim audits were to determine whether:
 - contract terms were followed;
 - claims were paid according to plan documents and if those provisions were clear and consistent;
 - members were eligible and covered at the time a service was incurred and paid; and
 - any claim administration, eligibility maintenance systems, or processes need improvement.

Medical Audit – Allegiance

- Random Sample Audit of 180 claims; confidence 95% +/-3%
- 100% Electronic Screening with 30 targeted sample analysis (ESAS[®]) including duplicate claims, limitations, exclusions, etc.
- Data Analytics – an additional analysis of the plan claim files to assess provider discounts, correct coding, and compliance with the Accountable Care Act
- Operational Review – including extensive questionnaire regarding plan administration, privacy, and security
- Plan Documentation Analysis

Claim Universe

Audit Period – January 1, 2020 through December 31, 2021

The population of claims and amount paid from which the Random Sample Audit was selected, and the electronic screening analysis was performed are:

Total Paid Amount	\$259,382,450
Total Number of Claims Paid/Denied	802,118



Allegiance Random Sample Audit

Performance Summary

Performance Measure	Administrative Performance	
	Audit Performance	Performance Quartile
Financial Accuracy	99.24%	Next to highest
Payment Accuracy	98.32%	Highest
Processing Accuracy	98.32%	Highest
Claim Turnaround	Median 9 Days	Mean 16 Days

Allegiance Key Findings

- Random Sample Audit of 200 Claims
 - 99.24% Financial Accuracy Rate (.76% error rate)
 - Three claims identified with payment errors totaling \$150.00 in underpayments and \$135.07 in overpayments
 - Allegiance’s internal quality assurance procedures detected one of the three errors prior to the CTI audit.
- 100% Electronic Screening with 15 Targeted Samples
 - No errors detected

Allegiance Key Findings

continued

- Operational Review
 - One overpayment refund request for \$99,358.40 is still outstanding. Final reporting on recovery is not due until 12/31/22.
 - No staff dedicated to investigation, identification, and pursuit of potential fraud, waste, and abuse. Allegiance relies on system edits and prior sanctions for provider credentialing
- Data Analytics
 - 29% overall provider discount, saving the State \$112,494,154

Recommendations

- Allegiance has performed root cause analysis and corrected the system problem leading to one of the financial errors cited. The remaining two errors were made by claim examiners and have been addressed through focused coaching.
- Allegiance should monitor the status of the outstanding large refund to ensure recovery or credit to the State.
- Allegiance should consider dedicating staff to investigation, identification and pursuit of potential fraud, waste and abuse.

Dental Audit—Delta Dental Insurance Company

- Random Sample Audit of 110 claims
- 100% Electronic Screening with 15 targeted sample analysis (ESAS®)
- Data Analytics – an additional analysis of the plan claim files to assess provider discounts, correct coding, and compliance
- Operational Review – including extensive questionnaire and administrative management interviews
- Plan Documentation Analysis

Claim Universe

Audit Period – January 1, 2020 through December 31, 2021

The population of claims and amount paid from which the Random Sample Audit was selected, and the electronic screening analysis was performed are:

Total Paid Amount	\$13,620,137
Total Number of Claims Paid/Denied	94,510

Delta Dental Random Sample Audit

Performance Summary

Performance Measure	Administrative Performance	
	Audit Performance	Performance Quartile
Financial Accuracy	99.94%	Next to highest
Payment Accuracy	99.09%	Next to highest
Processing Accuracy	99.09%	Next to highest
Claim Turnaround	Median 1 Day	Mean 2 Days

Delta Dental Key Findings

- Random Sample Audit of 110 Claims
 - 99.94% Financial Accuracy Rate (.06% error rate)
 - One error (\$24.00)
- 100% Electronic Screening with 15 Targeted Samples
 - Some potential duplicate claims were detected. Delta agreed and implemented system correction on 3/11/22.
- Delta met all performance guarantees
- Data did not allow independent calculation of provider discount amounts

Recommendations

- Delta should monitor system processing to ensure the system error that caused duplicate claims payment does not recur.
- Delta should report performance guarantees specific to the State, not as an aggregate of all its clients

Thank You!



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