ADVANTAGE TECHNOLOGIES

EPHESOFT

Combating Medicare and Medicaid Fraud with Ephesoft

As a leader in providing technology and service solutions to United States health, defense, civilian and intelligence agencies, one of Ephesoft's esteemed partners depends on using the most modern, innovative solutions to help its customers. The government agencies that are supported by this Company often work on mission-critical projects and valued security and fraud prevention. In fact, the Coalition Against Insurance Fraud reports that fraud steals $80 billion a year across all lines of insurance, including fraud within government agencies.

Specifically, Medicare and Medicaid fraud, abuse and waste has turned into a multibillion-dollar problem for American taxpayers and the United States government. Medicare and Medicaid, which cover over 100 million people, is deemed as a high-risk program because of its size, complexity and vulnerability to improper payments. In fact, according to the Center for Medicare & Medicaid Services (CMS), the FY 2015 improper payment rate was 12.1%, representing $43.3 billion in improper payments. Another report says that more than $2.77 billion of Medicare and Medicaid recoveries are expected from audits and investigations during the first half of FY 2016 (October-March). The 2016 fraud costs are expected to be lower at around 10%.

Customer
Center for Medicare & Medicaid Services (CMS)

Industry
Healthcare

Application
Fraud Prevention for Medical Records

Partner
Large IT & Services Integrator for Government Agencies

Results
- Expedited millions of documents and claims per year
- Reallocated 33% of staff
- CMS recovered $3.3 billion in 2016
- Reduced improper payment rate by about 2%, saving billions

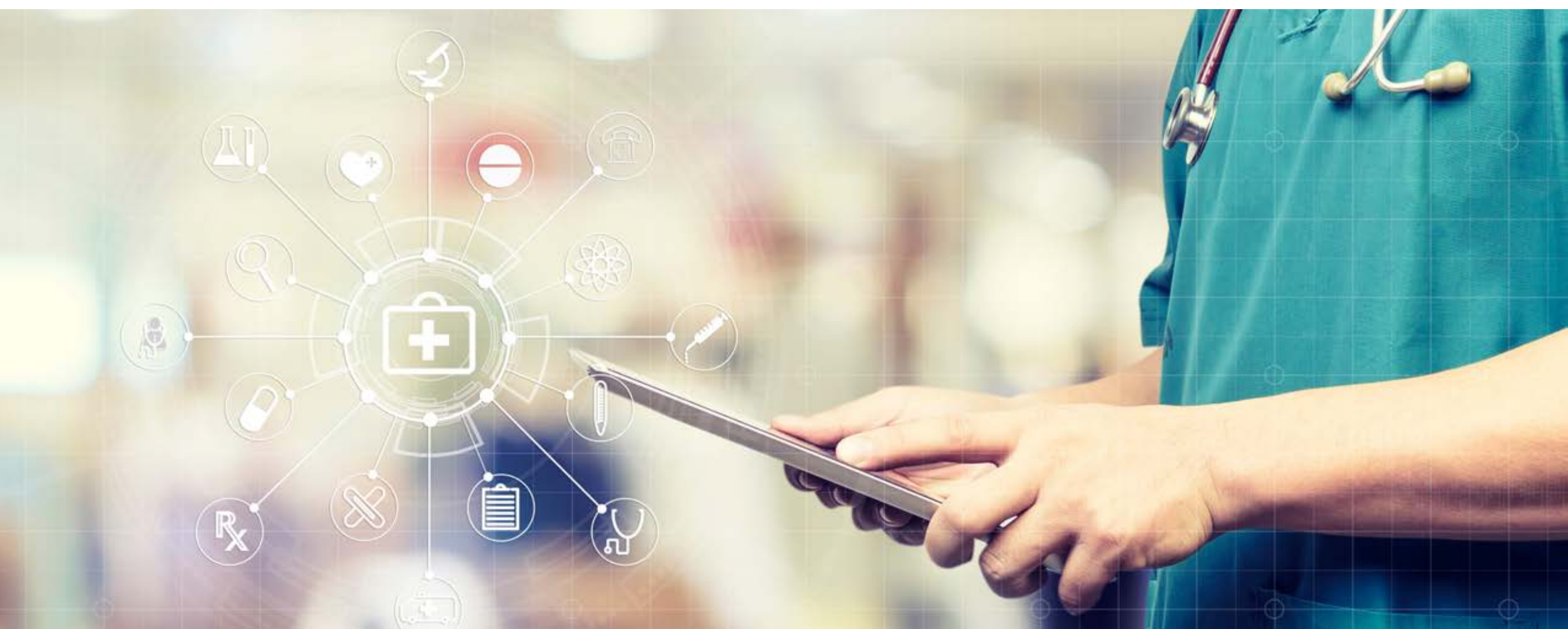
The fraudulent cases of improper payments typically fall into three categories: (1) intentional deception or misrepresentation, (2) the overuse or inappropriate use of services and resources and provider practices that are inconsistent with sound fiscal, business or medical practices, such as providing medically unnecessary services, or (3) beneficiary practices resulting in unnecessary Medicaid costs. Some examples of Medicare abuse include: billing for unnecessary medical services, charging excessively for services or supplies and misusing codes on a claim, such as upcoding or unbundling codes.

Therefore, CMS began implementing many forms of ways to prevent and stop fraud, abuse and waste, while maintaining their true goal of ensuring that public funds are given to paying legitimate entities for allowable services or activities on behalf of eligible beneficiaries of federal healthcare programs. This included setting up auditing and fraud prevention services such as Zone Program Integrity Contractors (ZPIC), Recovery Audit Program, National Benefit Integrity Medicare, Drug Integrity Contractor (NBI MEDIC), Outreach & Education MEDIC (O&E MEDIC) and Medicaid Integrity Contractors to cover services nationally. In addition, they also implemented new technology, including the use of Ephesoft's platform that uses patented, machine learning technology to classify, extract and export data, so CMS can easily access patient claim data and act quickly to prevent fraudulent claims.

Previously, CMS was manually reviewing millions of patient records per year for accuracy and fraud. This required a significant amount of time to manually find, enter, organize and file records. Most of the records were kept in file cabinets or stored in various places. The agency needed to determine whether the claims have been paid properly based on the coverage, coding and billing rules, which required a large amount of staff and time.

With Ephesoft's advanced document capture platform, CMS could expedite their fraud prevention process with help from the software's machine learning algorithms, which learned to recognize the type of documents, extract the right data, digitize the data, and organize it properly. This allowed employees to spend less time doing tedious audit searches and more time positively impacting healthcare programs. In fact, in the first 14 months after implementation, headcount was reallocated and reduced by about 33%.

With all of CMS's combined efforts, they reported that in "Fiscal Year (FY) 2016, the government recovered over $3.3 billion as a result of health care fraud judgements, settlements and additional administrative impositions in health care fraud cases and proceedings. Since its inception, the HCFAC [Health Care Fraud and Abuse Control] Program has returned more than $31 billion to the Medicare Trust Funds. In this past fiscal year, the HCFAC program has returned $5.00 for each dollar invested."



"Our team at Ephesoft is thrilled that we can contribute to helping government healthcare programs prevent fraud, abuse and waste and enable them to help the people who legally qualify for it," stated Ike Kavas, CEO at Ephesoft. "Once we – and in this case, our partner – help a customer transform their documents, images and data digitally, they can easily access and apply our patented machine learning and business intelligence tools to make the data meaningful and actionable quickly."

In summary, Ephesoft's partner used best practices and their expertise to help CMS convert their processes with automation, prevent and reduce fraud, eliminate waste, abuse and save valuable time and effort using Ephesoft. With actionable data and electronic health and claim records, CMS can help minimize risks and reduce fraud. Best of all, taxpayers will know their money is being spent wisely. Next steps for CMS include exploring Ephesoft's big data document analytic platform that can detect anomalies with outlier detection intelligently to prevent fraud faster.

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About Advantage
Advantage Technologies has been providing on-premises and Cloud-based enterprise fax solutions workflow, and business intelligence solutions for over 24 years. Our team has completed thousands of successful system deployments worldwide in such industries as healthcare, finance, insurance, banking, government, and manufacturing.

Our North American helpdesk and sales team are certified on OpenText RightFax, OpenText Fax2Mail, RightFax Connect, FoIP Software, Dialogic Media Gateways, Sonus Gateways and Cloud-based fax solutions. Advantage Technologies is a leading OpenText™ Platinum Partner, Distributor and Authorized Support Provider (ASP) as well as the 2020 OpenText Voyager Reseller Partner of the Year – Americas winner.

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