Centralized audit system: easing risk-adjustment audit pain

Under the Affordable Care Act (ACA), more people are being insured under a wide range of managed care plans, which has resulted in a substantial growth of commercial risk adjustment audits and associated medical record requests. This comes at a time when health plans are also attempting to measure the level of severity and the condition of that plan's patients.

When faced with these audits, payers and providers must understand the types of audits and the identifying reasons behind them. As an example, the type of risk adjustment audit providers are likely to see throughout the year are with privately run Medicare Advantage health plans and CMS's Risk Adjustment Data Validation or RADV. Medicare Advantage plans are an increasingly popular alternative to traditional Medicare. These plans are paid using a risk score calculated for each patient who joins. Medicare helps subsidize the plans. The Risk Adjustment Data Validation or RADV are the government's version of the audits that are conducted by CMS.

The SSI Group Offices

While commercial risk adjustment audits are similar to RACs, they present their own individual set of challenges for hospitals and providers.

In addition to having to deal with increased cost and complexity of audits, hospitals spend a significant amount of time and resources to track and manage audits from commercial payers. "The reality is an organization is not reimbursed for costs associated with staff time spent fulfilling an audit," said Tracey Tillman, SSI product manager. "That's why it's more important than ever to stretch every dollar and ultimately look for a solution to create an overall standard process that encompasses tracking all audit types and will assist in identifying denial patterns that can be prevented from audit reviews."

In some cases, the most beneficial change can be as simple as improving the process by centralizing all audit management functions.

"By streamlining all facilities within an organization to utilize one centralized tool, solutions such as SSI's Audit Management will deliver notifications of audits that are approaching timely due dates and the identifying dollars at risk that might otherwise be missed, and bridge the gap of what once was a lack of inadequate business tools," said Tillman.

Additionally, having a centralized system promotes better communication and education among audit management team members and eliminates redundancy and duplication in work efforts.

Tracey Tillman

But most importantly, SSI's centralized audit system guides providers to analyze their audit information, which in turn can help identify process improvement areas and revenue risk among plans, according to Tillman. "The ability to track audit activity by type of audit, maintain a record of documents sent, and better manage requests and time involved in fulfilling requests allows an organization to stay on top of audit trends and reduce revenue risk," Tillman concluded.
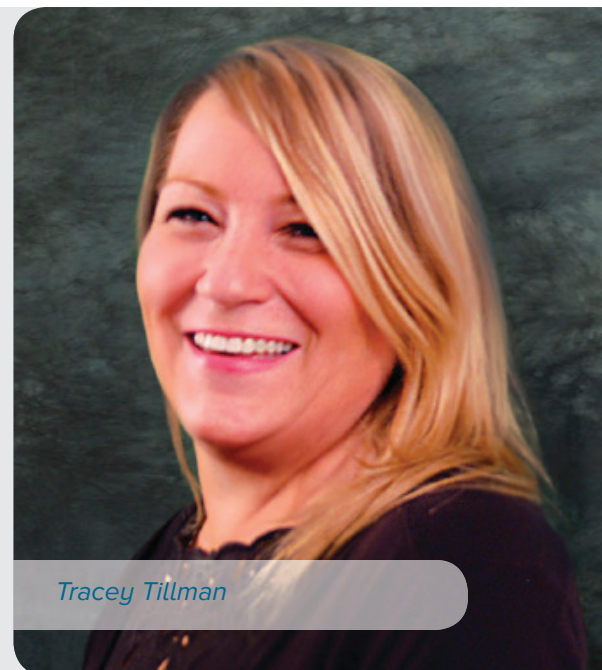
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> *— Tracey Tillman | Product Manager | SSI*