

# Claims Payment Integrity



Safeguarding Your  
Health Care Dollars Through  
Accurate Claims Processing



**BlueCross BlueShield of Illinois**

*Experience. Wellness. Everywhere.®*

# The Blue Cross and Blue Shield of Illinois Commitment to Claims Payment Integrity



Blue Cross and Blue Shield of Illinois (BCBSIL) works hard to save customers money and reduce the rising costs of health care through proven business practices that minimize the potential for errors and overpayments.

Each year BCBSIL supports many customer audit requests with positive results. In fact, in 2010, 18 random sample medical claims audits covering claims for a two-year period found BCBSIL's financial accuracy rate was 99.84 percent. This level of accuracy is achieved with:

- ▶ well-maintained adjudication systems
- ▶ extensive internal and external audit programs
- ▶ pre- and post-payment quality assurance programs
- ▶ highly-trained claims examiners

All BCBSIL customers receive the value-added advantage of these internal payment control services (with the exception of optional services) at no extra cost.

## Pre-payment Audit Processes

Blue Chip claims processing system	Blue Chip has complex system logic that verifies eligibility, claim codes, allowed amounts, duplicate claims, provider information, benefits, medical policy, other coverage information and more.
ClaimsXten™ procedure code auditing software	Identifies provider coding errors, including intentional 'upcoding' ClaimsXten includes many of the Centers for Medicare and Medicaid Services (CMS) National Correct Coding Initiative (NCCI) guidelines as well as custom edits that support BCBSIL payment and reimbursement policies.
Auto-adjudication	Approximately 80 percent of claims are auto-adjudicated, significantly reducing the opportunity for human error.
Pre-payment manual intervention	The 20 percent of claims not auto-adjudicated are manually reviewed by highly trained employees, paying special attention to high-dollar claims, claims flagged for pre-payment review and any apparent claim anomalies, all before the claim is paid.  In addition, 100 percent of manually adjudicated claims are audited prior to payment until new employees demonstrate proficiency.

## Quality Assurance Audit Programs

### Blue Cross and Blue Shield Association

As an independent licensee of the Blue Cross and Blue Shield Association (BCBSA), BCBSIL complies with BCBSA Plan Performance Programs that require rigorous monthly audits to assess Plan performance against BCBSA standards including claims, inquiry and membership accuracy.

### Departmental and Individual Quality Assurance Programs

BCBSIL also performs routine internal audits that examine department and employee service quality, with a sample size that exceeds industry standards. These audits include both random samples and focused audits.

### Blue Card Audits

Blue Card audits are performed on a pre- and post-pay basis. Claims are evaluated for potential processing issues.

## Post-payment Audit Processes

<b>Claim Recovery Unit (CRU)</b>	<ul style="list-style-type: none"><li>• The CRU utilizes outcomes of internal and external audits, along with input from the quality assurance and claims departments to analyze historical claims data for potential overpayments.</li><li>• The CRU manually reviews 100 percent of claims meeting criteria for the specified audit and pursues identified overpayments.</li><li>• The CRU analyzes claims for BCBSIL’s insured and self-insured business.</li></ul>
<b>Optional Provider Audits</b>	When requested, provider audit services are available to self-funded customers who sign a Vendor Recovery Audit Program Participation Agreement. Audit services currently performed by contracted recovery audit vendors vary by state, but could include: <ul style="list-style-type: none"><li>• Diagnosis Related Grouping (DRG) Validation</li><li>• Hospital Bill Audit</li><li>• Home Infusion Therapy (HIT)/High Cost Injectable Drug Audit</li><li>• Hospital Credit Balance Reviews</li></ul>
<b>Optional Other Party Liability Recovery Program (Subrogation)</b>	Each year BCBSIL recovers millions of dollars through the Subrogation/Reimbursement Program. Approximately 60 percent of the total amount recovered goes to self-funded customers.



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### **Independent Audit Programs**

BCBSIL's independent audit firm, Ernst & Young, conducts and coordinates BCBSIL's SSAE 16 (formerly SAS-70) audits, which are based on national reporting standards. These reviews test the controls in place to support eight control objectives related to claims administration. Ernst & Young confirms that these controls provide reasonable assurance that claim payments and related adjustments are authorized, accurate and processed on a timely basis.

### **Fraud, Waste and Abuse**

BCBSIL is committed to reducing the risk of fraud, and has a variety of controls to monitor, detect and prevent suspicious claim activity. The cornerstone of this commitment is the Special Investigations Department (SID). This department's focus is to provide quality, cost-effective fraud detection, investigation and prevention services to BCBSIL customers.

### **Exceptional Track Record**

Proof of BCBSIL's exceptional performance is reflected in results of 100 percent of electronic overpayment and random sample audits. As further confirmation of BCBSIL's claims accuracy, external audit firms engaged by self-funded customers to conduct electronic overpayment audits promised millions of dollars in recoveries, only to find that identified overpayments represented only .04 - .07 percent of benefit dollars paid.

These statistics validate BCBSIL's outstanding track record and commitment to accurate and appropriate claims processing.

**For more information on BCBSIL's claims payment services,  
contact your account management representative.**