

SMARTLIGHT ANALYTICS

ANALYTICS EXPERTISE ▪ CLINICAL EXPERTISE ▪ DATA EXPERTISE

**HPA of Maine
Overview of Services
April 23, 2020**



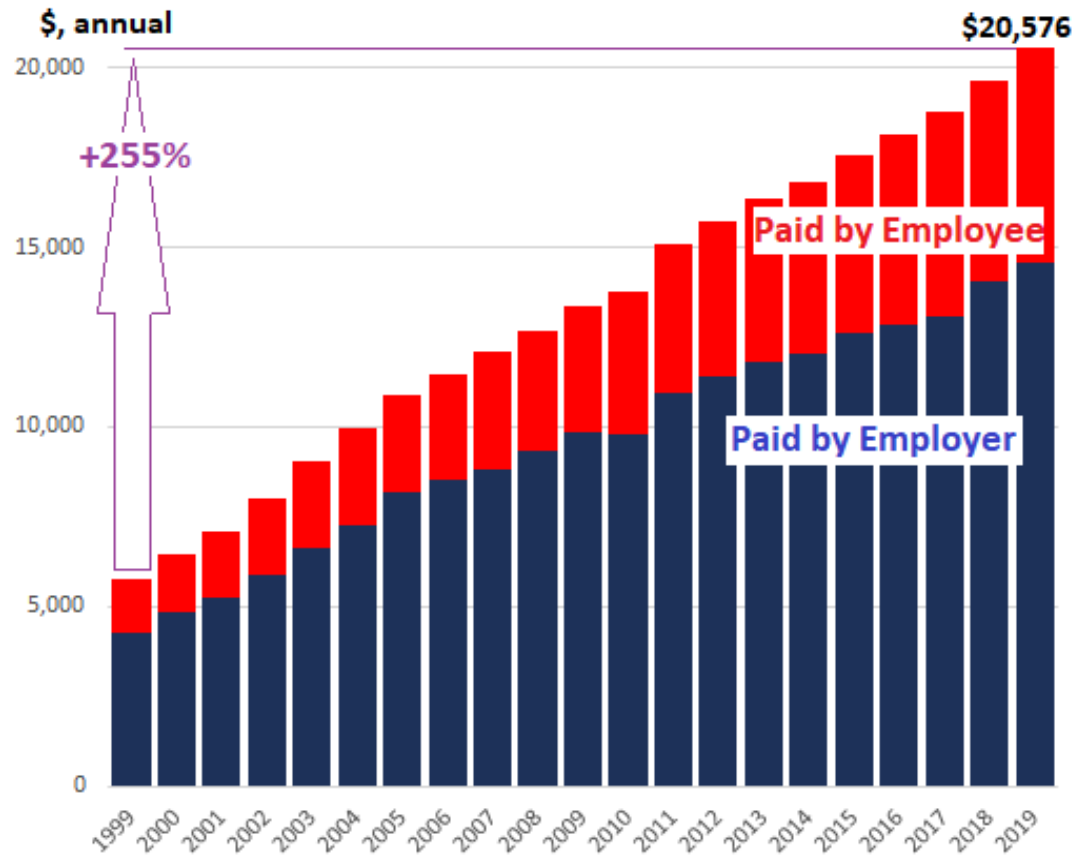
THE CHALLENGE

Eliminating wasteful spend
from health plan funds



Healthcare Spending Crisis

Employer & Employee Costs of Family Health Insurance



Source of data: Kaiser Family Foundation

WOLFSTREET.com

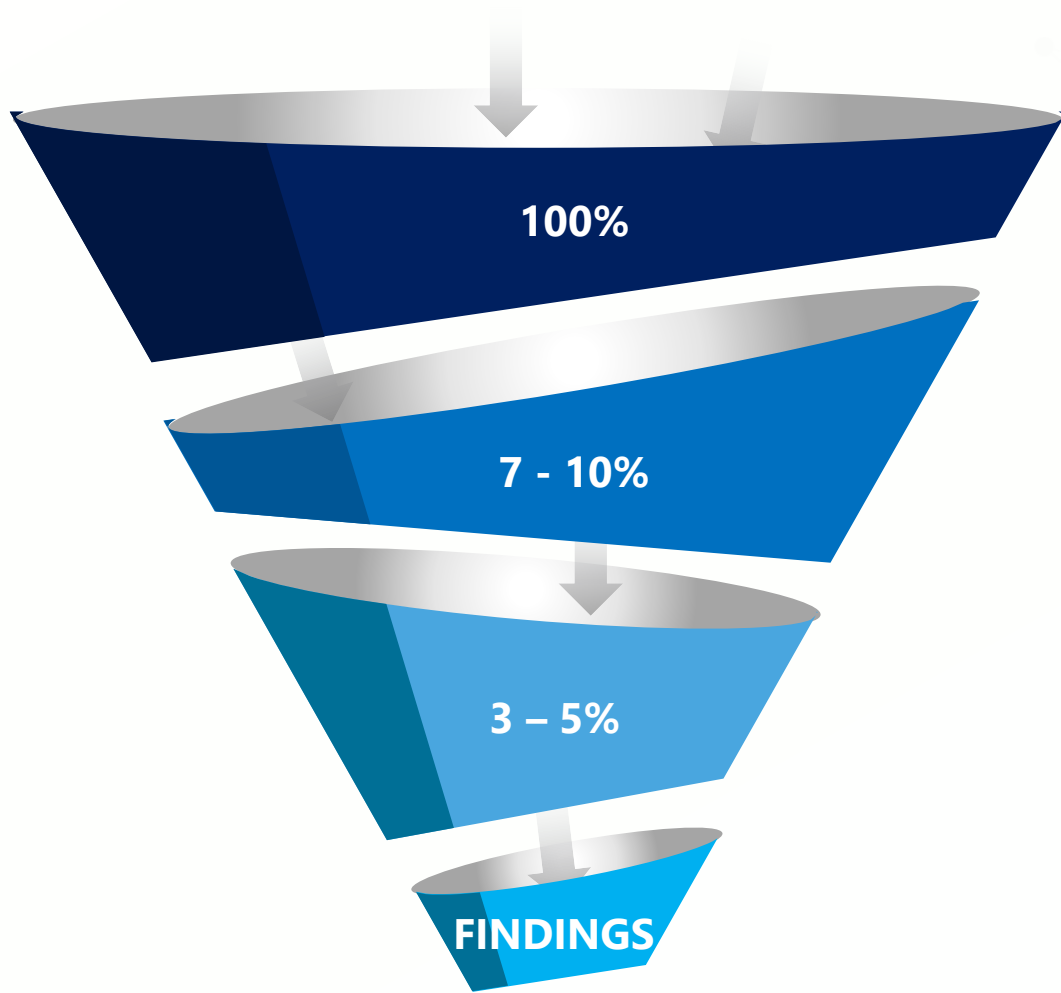
Organizations implement many strategies to contain rising healthcare costs, but most are overlooking wasteful spend.



THE SOLUTION

Start with an “MRI” of your
healthcare spend

Why SmartLight Analytics?



Inferential analytics taken to the claim level



High true positive rate (> 90%) as a result of detailed clinical assessment

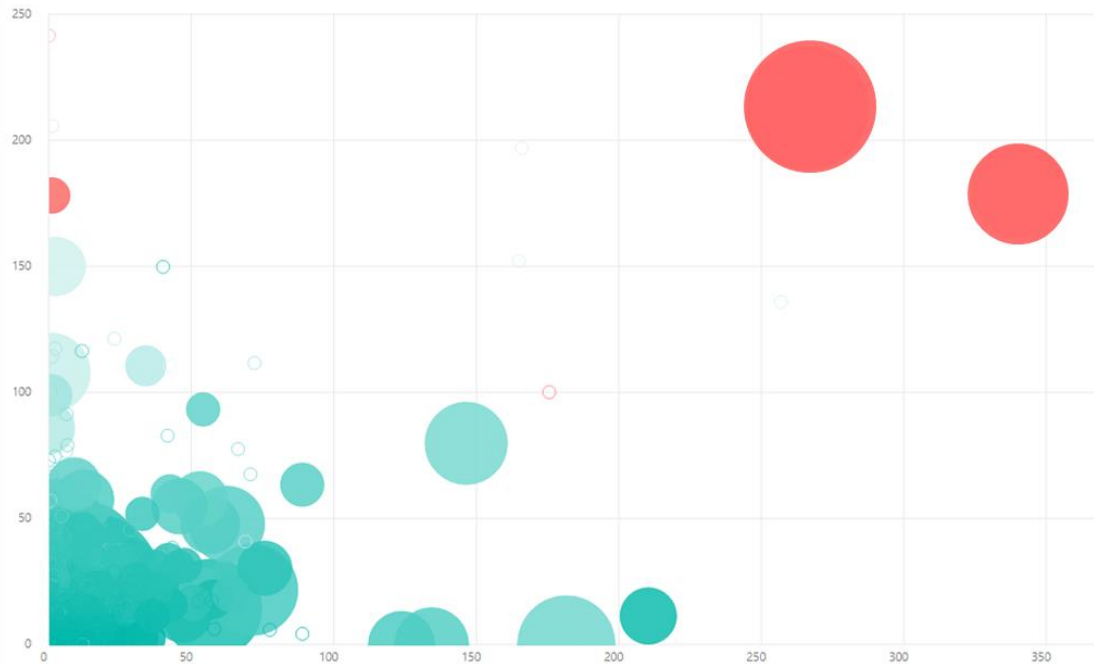


SmartLight works directly with carriers to remediate costs



Continuous monitoring allows for accountability

What Is Inferential Analytics?



Inferential analysis

- Unknown target (searching for anomalies)
- Conclusion reached on evidence, reasoning, combined with content knowledge

Algorithms

- Known target (searching for known issues)
- Set of rules created to solve specific problems

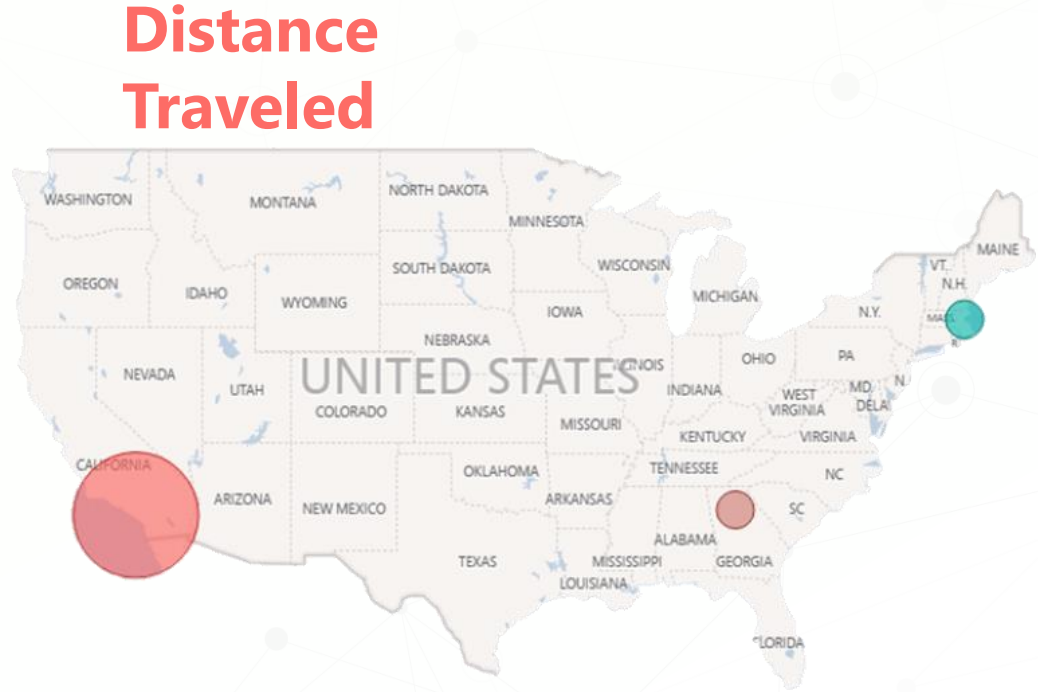
Advantages of inferential methods

- Stay ahead of the curve
- Scalable
- Increased savings for customers



Inferential method: Geospatial Analysis

- Create expected “normal” model
- Calculate the observed values
- Compare expected and observed values
- Calculate a mathematical score that evaluates the difference from expected



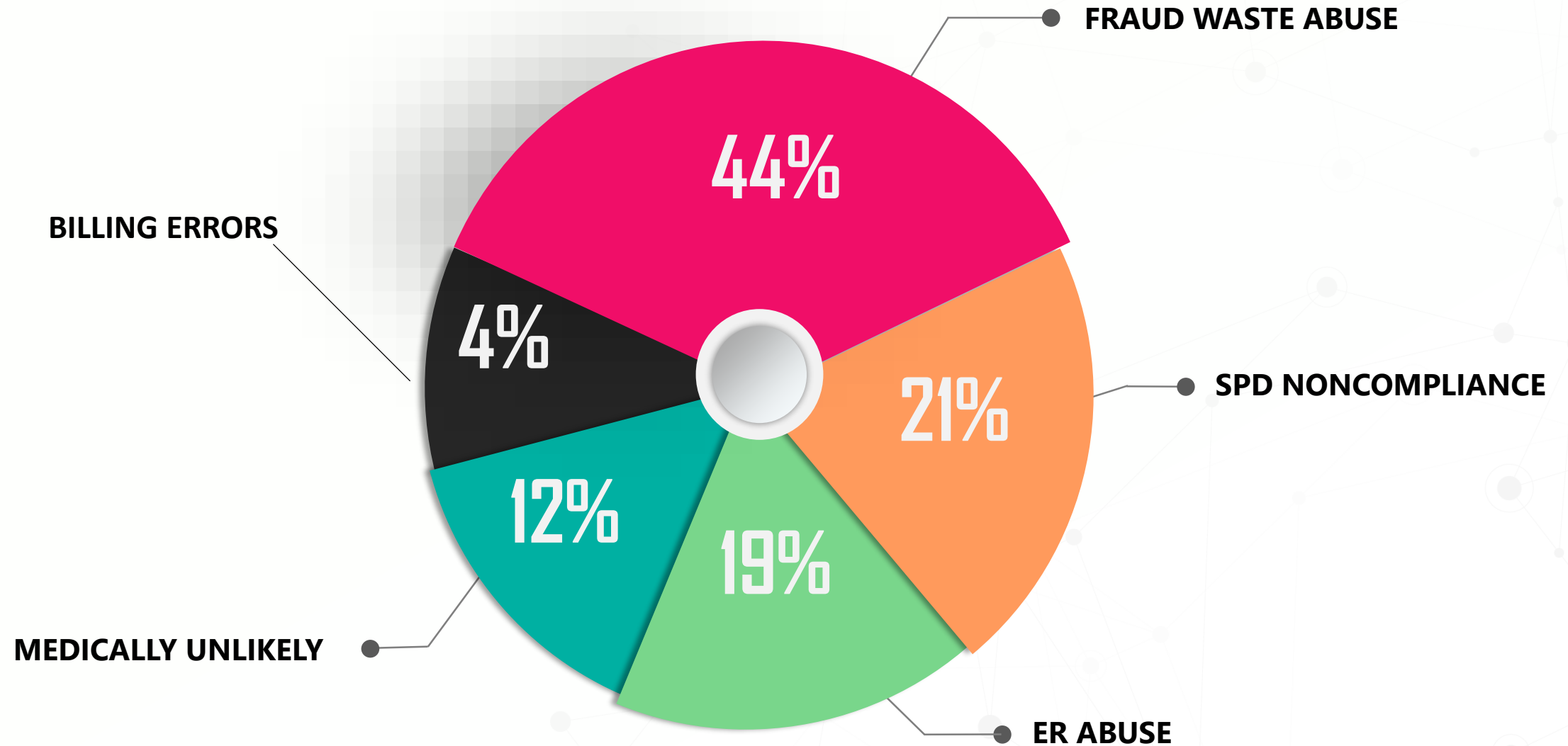
Service Category	City	State	ZIP Code	Member ZIP	Expected Distance	Actual Distance	Paid	Model Score
Substance Abuse Treatment	Irvine	CA	92620	02115	10	2976	\$173,610	0.92
Laboratory - Genetic Testing	Lawrenceville	GA	30045	02115	347	1058	\$2,239	0.74
Emergency Department	Boston	MA	02111	02115	7	2	\$3,299	0.00



THE RESULTS

"...highest ROI of any of our vendors"

Results of the "MRI" : Categories of Wasteful Spend



Health Spend Trend – SmartLight Difference



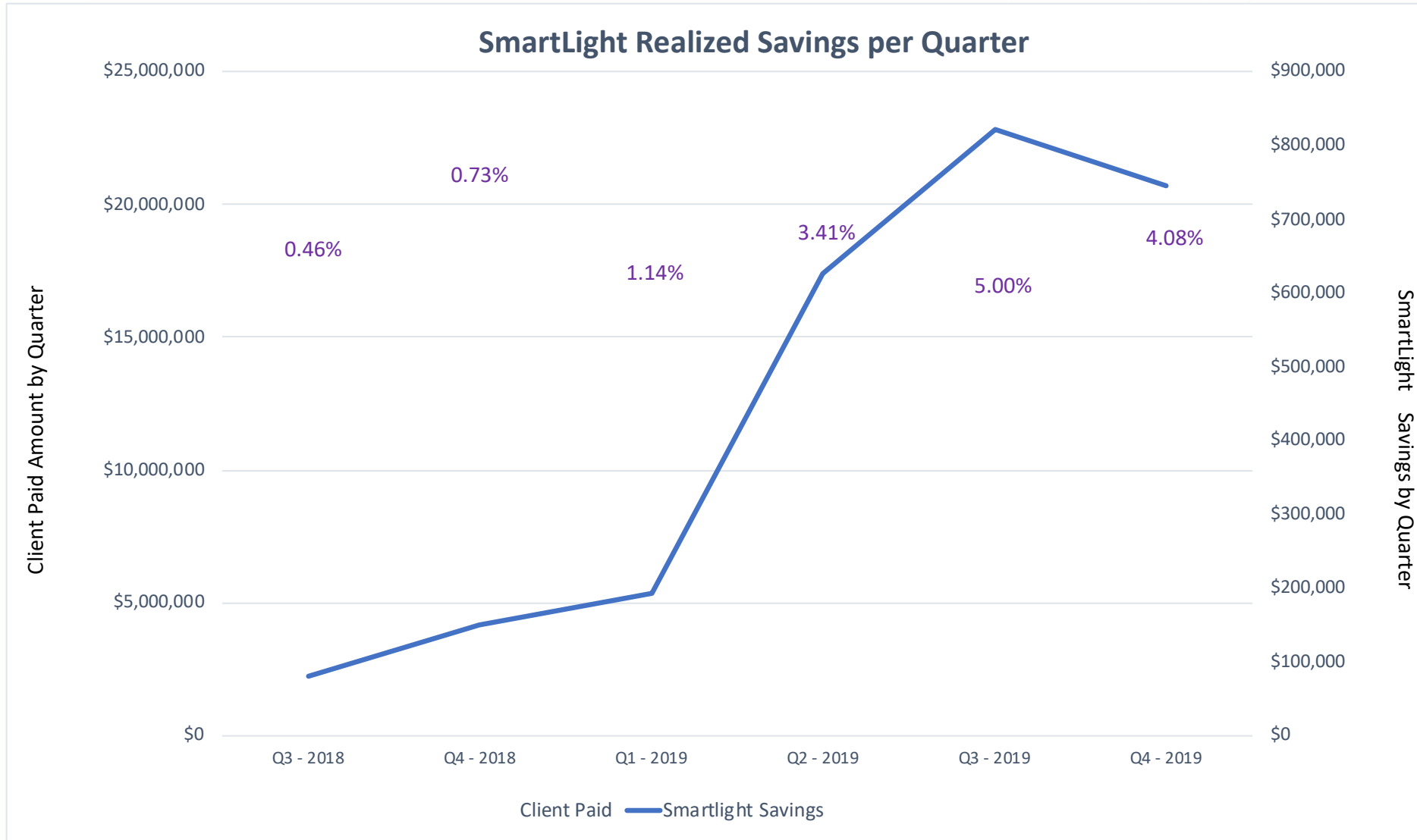
National Index Increase for HealthCare Spend: 5%

<i>Year</i>	<i>CLAIMS</i>	<i>TOTAL PAID</i>	<i>MEMBERS</i>	<i>PMPM</i>
2015	300,180	\$117,094,785	24,666	\$396
2016	286,748	\$110,188,467	23,402	\$392
2018	224,955	\$89,903,507	22,907	\$327
2019	207,933	\$81,596,299	21,281	\$320

-\$6.67



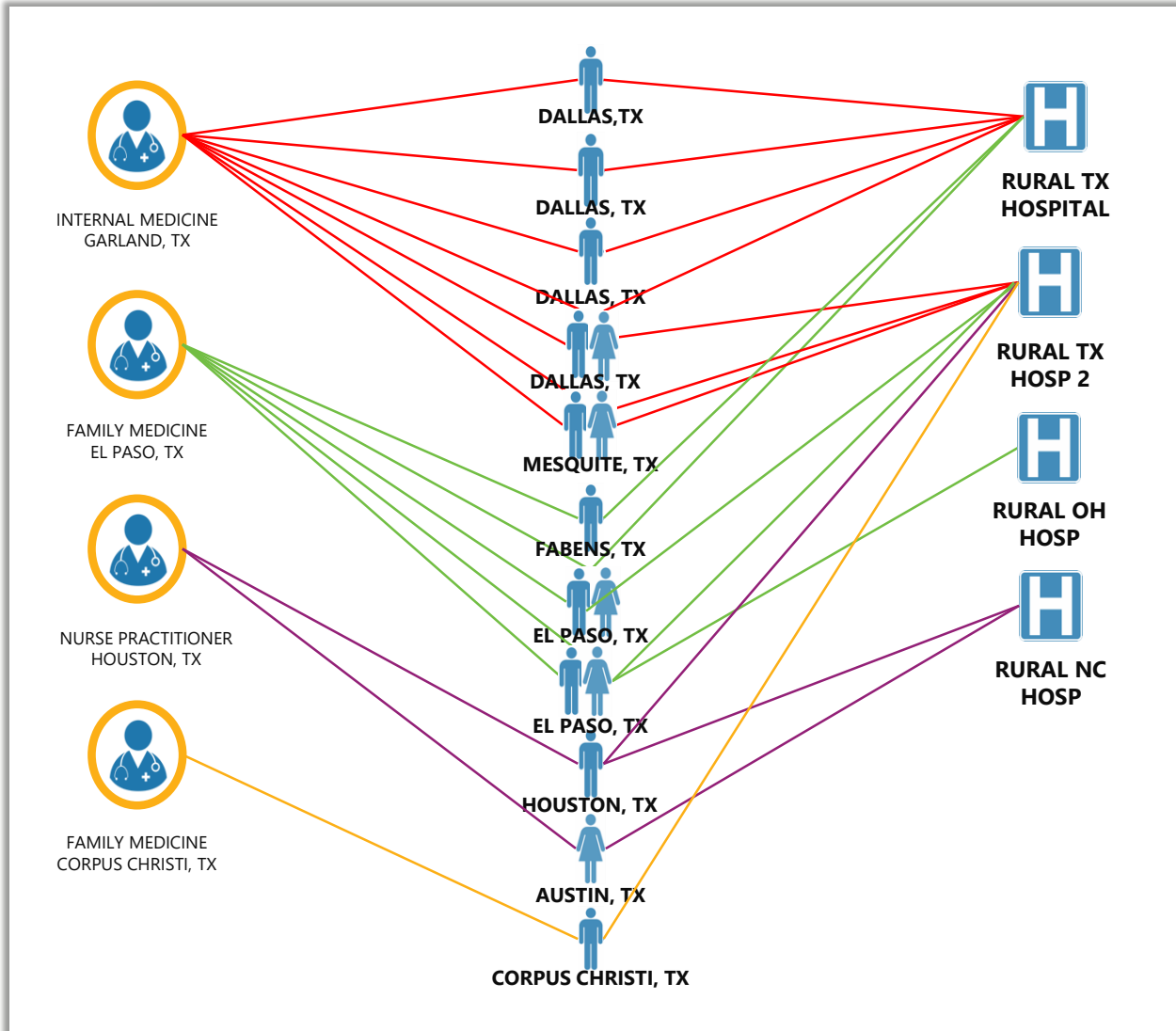
Case Study – Client Health Spend Trend





CLIENT EXAMPLES

Hospital Pass-Through Billing Scheme



One patient one visit = \$5,223 of routine labs

CPT	CPT DESC	UNITS	BILLED
80050	General health panel	1	\$156
84681	Assay of c-peptide	1	\$193
84270	Assay of sex hormone globul	1	\$202
82533	Total cortisol	1	\$151
82627	Dehydroepiandrosterone	1	\$201
84466	Assay of transferrin	1	\$148
82746	Assay of folic acid serum	1	\$137
80061	Lipid panel	1	\$170
83519	Ria nonantibody	1	\$126
83090	Assay of homocystine	1	\$114
80050	General health panel	1	\$98
82248	Bilirubin direct	1	\$47
84479	Assay of thyroid (T3 or T4)	1	\$60
83036	Glycosylated hemoglobin test	1	\$90
84146	Assay of prolactin	1	\$180
82150	Assay of amylase	1	\$60
82977	Assay of ggt	1	\$116
84100	Assay of phosphorus	1	\$44
83735	Assay of magnesium	1	\$62
82728	Assay of ferritin	1	\$127
83525	Assay of insulin	1	\$114
84153	Assay of psa total	1	\$213
83970	Assay of parathormone	1	\$383
84403	Assay of total testosterone	1	\$129
84402	Assay of free testosterone	1	\$197
83002	Assay of gonadotropin (LH)	1	\$211
83001	Assay of gonadotropin (FSH)	1	\$173
82985	Assay of glycated protein	1	\$140
84378	Sugars single quant	1	\$153
83615	Lactate (LDH) enzyme	1	\$148
83550	Iron binding test	1	\$81
82607	Vitamin B-12	1	\$77
83540	Assay of iron	1	\$60
82306	Vitamin d 25 hydroxy	1	\$252
86141	C-reactive protein hs	1	\$115
83876	Assay myeloperoxidase	1	\$222
Totals:			\$5,223

Total savings > \$300k



Pass-Through Billing Scheme Details

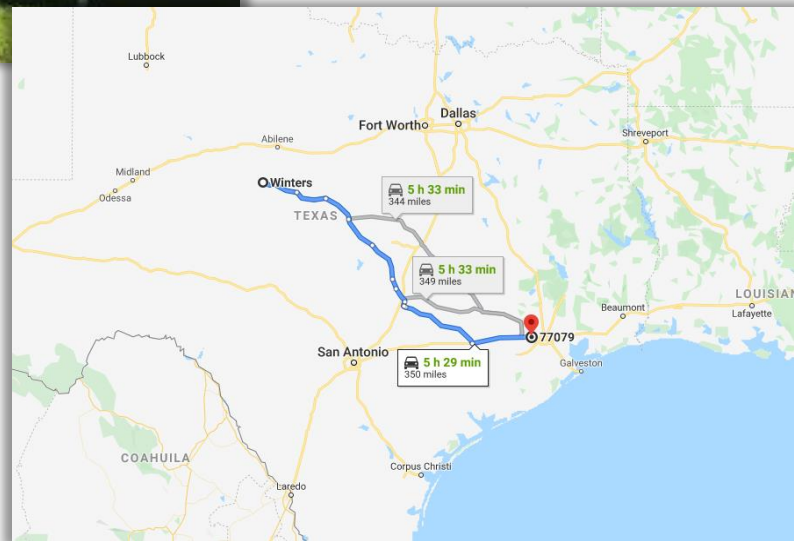


Location of Winters, Texas



Country	United States
State	Texas
County	Runnels
Area	
• Total	2.9 sq mi (7.6 km ²)
• Land	2.4 sq mi (6.1 km ²)
• Water	0.6 sq mi (1.5 km ²)
Elevation	1,841 ft (561 m)
Population (2010)	
• Total	2,562
• Density	870/sq mi (340/km ²)

- ❑ One was a 42-year-old male living in Houston, TX
- ❑ Member visited a nurse practitioner on July 10, 2018 - Diagnosis of Low Back Pain in Houston, TX
- ❑ Also on July 10th, rural hospital in Winters, TX billed for test :
 - ❑ Nerve conduction test, 9-10 (\$4,900) and
 - ❑ Needle electromyography, muscle (\$3,800)
- ❑ To believe this occurred as billed - the member would have had to travel over 350 miles from home in Houston to Rural Hospital in Winters, TX on the same day
- ❑ What likely happened : member saw Houston provider, who referred testing to out-of-network facility who then sent the claims to Hospital in Winters, TX to be submitted = pass-through billing



\$93k in savings in past 6 months



Claim-Level Errors

SmartLight’s analytic modeling identifies billing and payment errors that slip past claims administrator edits.

Overpayment Type	Srvc Date	Paid Date	CPT	CPT/HCPCS Description	Units	Billed	Paid
Double Billing by Different Providers	13-Mar	30-Mar	59425	Antepartum care only; 4-6 visits	1	\$1,557	\$1,401
	17-Apr	12-Jun	59510	Routine obstetric care including antepartum care, cesarean delivery, and postpartum care	1	\$3,000	\$2,414
Medically Unlikely Error	9-Sep	22-Nov	J1071	Injection testosterone cypionate, up to 100 mg	260	\$26	\$4
	9-Sep	22-Nov	96372	Therapeutic, or diagnostic injection, specify drug; subcutaneous or intramuscular	260	\$10,500	\$8,549
Duplicate Payment Same Provider & Different IDs Four Months Apart (IN & OON)	12-Jun	6-Jul	45830	Colonoscopy, flexible; with biopsy, single or multiple	1	\$1,325	\$683
	12-Jun	2-Nov	45830	Colonoscopy, flexible; with biopsy, single or multiple	1	\$1,325	\$581
Outlier Billed and Paid Amount (U&C IN= \$271; OON =\$683)	18-Oct	22-Oct	99283	ER visit for E/M of a patient, presenting problem(s) are of moderate severity.	1	\$10,000	\$10,000
Outlier Billed and Paid Amount (U&C IN=\$3,270; OON= \$9,835)	28-Dec	10-Jan	27134	Revision of thigh and hip bone prosthesis	1	\$70,000	\$70,000

>\$1.04m in payment errors identified for one client



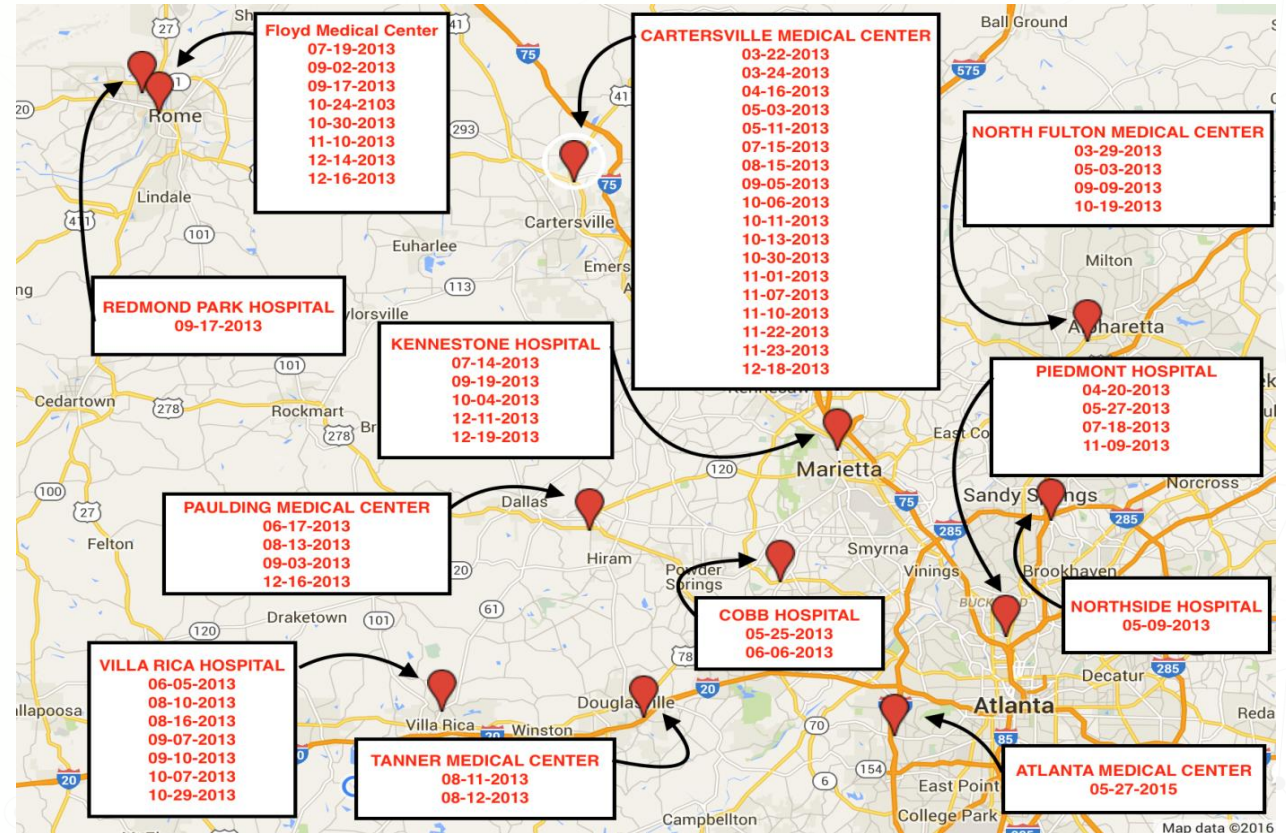
Member Level Waste – Excessive ER Utilization

A single patient with 137 ER visits in 18 months

- 19 ER facilities utilized within 65 miles of patient's home
- Discharged on the same day 95% of the time
- Patient had 126 CT scans performed during the ER visits

> \$650k

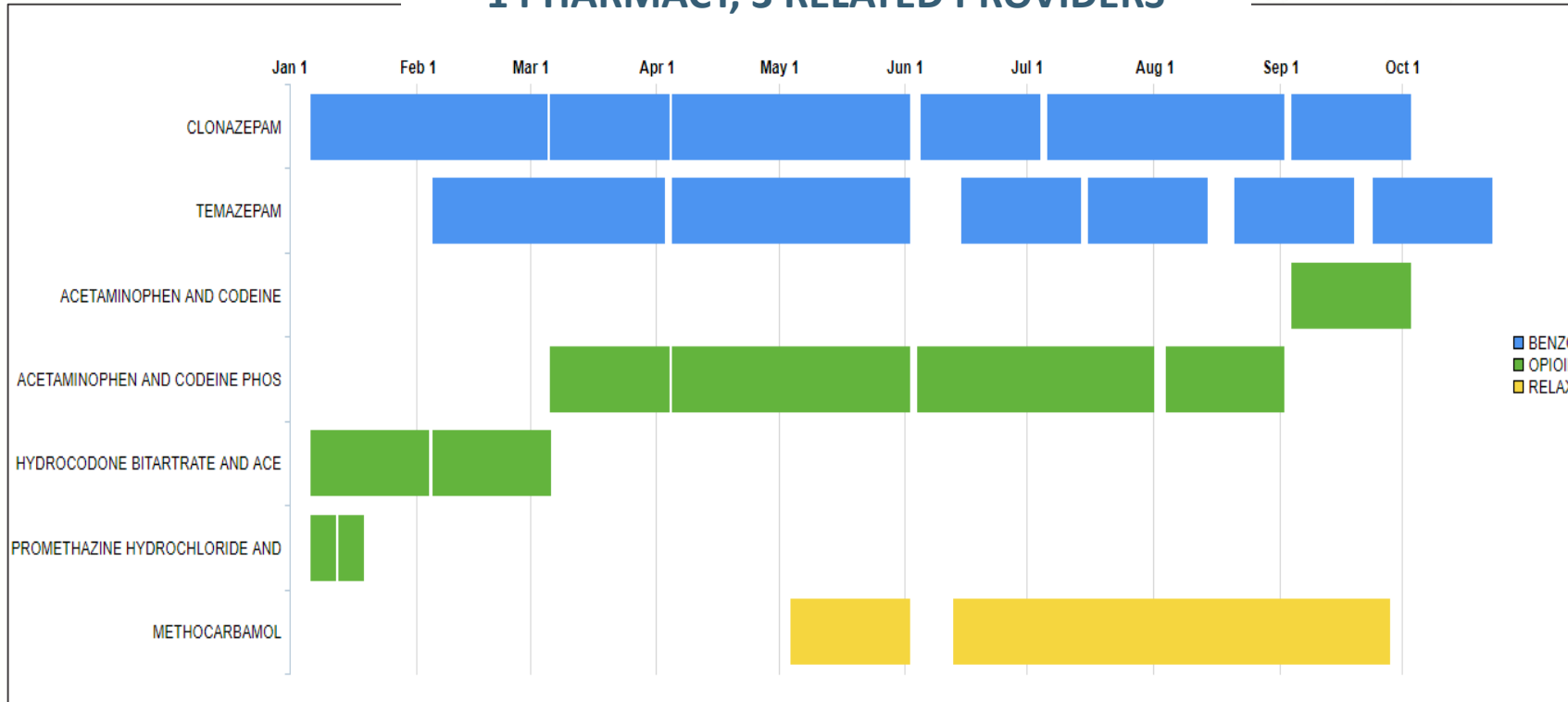
ER claims paid for a single patient



FWA in Pharmacy Claims



Member 1: 52 YEAR OLD FEMALE 1 PHARMACY, 3 RELATED PROVIDERS

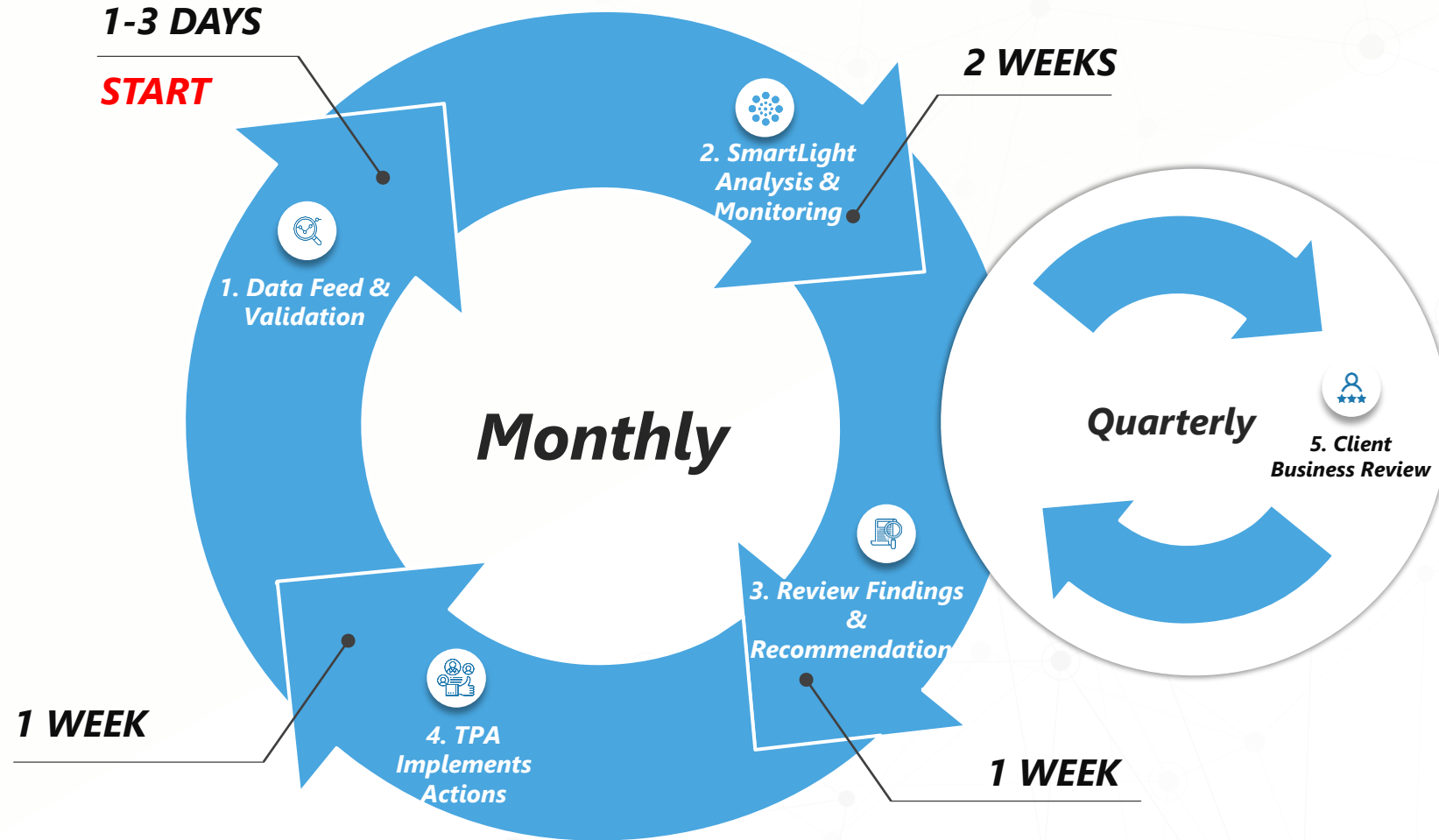


Processed Date / Provider Specialty	Days Supply
01/06/18	
Family Medicine	
HYDROCODON-ACETAMINOPHN 10-325	30
Physician Assistant	
CLONAZEPAM 1 MG TABLET	30
02/04/18	
Physician Assistant	
CLONAZEPAM 1 MG TABLET	30
02/05/18	
Family Medicine	
HYDROCODON-ACETAMINOPHN 10-325	30
Nurse Practitioner	
TEMAZEPAM 30 MG CAPSULE	30
03/05/18	
Nurse Practitioner	
TEMAZEPAM 30 MG CAPSULE	30
03/06/18	
Nurse Practitioner	
ACETAMINOPHEN-COD #4 TABLET	30
CLONAZEPAM 1 MG TABLET	30
04/05/18	
Nurse Practitioner	
ACETAMINOPHEN-COD #4 TABLET	30
CLONAZEPAM 1 MG TABLET	30
TEMAZEPAM 30 MG CAPSULE	30
05/04/18	
Nurse Practitioner	
ACETAMINOPHEN-COD #4 TABLET	30
CLONAZEPAM 1 MG TABLET	30
TEMAZEPAM 30 MG CAPSULE	30
06/04/18	
Nurse Practitioner	
ACETAMINOPHEN-COD #4 TABLET	30
06/05/18	
Nurse Practitioner	
CLONAZEPAM 1 MG TABLET	30
06/15/18	
Family Medicine	
TEMAZEPAM 30 MG CAPSULE	30



WEB PORTAL

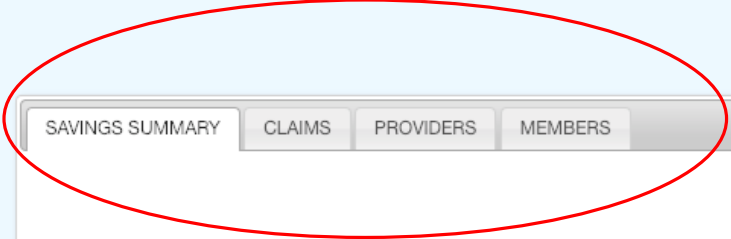
Concurrent Review Process Overview



Customized Web Reporting Platform: Savings Summary



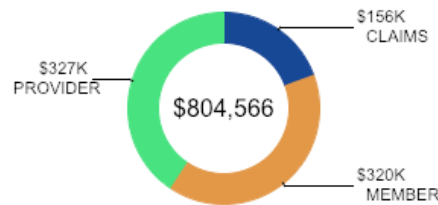
SMARTLIGHT ANALYTICS® Client Demo



SAVINGS SUMMARY CLAIMS PROVIDERS MEMBERS

SAVINGS SUMMARY

SAVINGS DISTRIBUTION



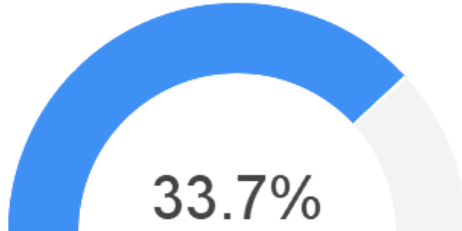
► SUMMARY BY TYPE

TIME PERIOD	TYPE	#	IDENTIFIED	PENDING	REALIZED
JAN18 - DEC18	CLAIMS	186	\$ 555,636	\$ 488,051	\$ 156,230
JAN18 - DEC18	MEMBER	14	\$ 991,096	\$ 599,846	\$ 320,853
JAN18 - DEC18	PROVIDER	142	\$ 1,532,607	\$ 1,312,703	\$ 327,483
			\$ 3,079,339	\$ 2,400,600	\$ 804,566



Realized savings updated each month

IBNR
Not Yet Realized



TOTAL IDENTIFIED

JAN 18 - DEC 18

\$3.07m

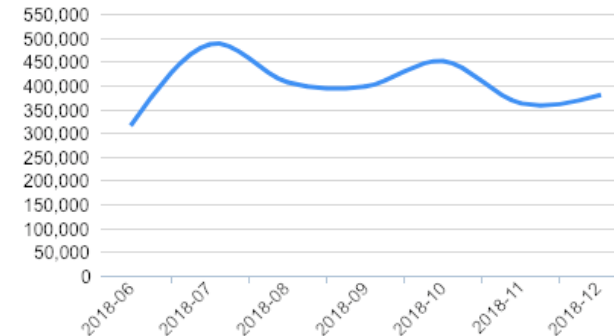
LAST MONTH IDENTIFIED

DEC 18

+\$6.2%

\$380.02k

IDENTIFIED SAVINGS BY REFERRAL DATE



Customized Web Reporting Platform: Member Level



SUMMARY CLAIMS PROVIDERS **MEMBERS**

Tracking Outcomes Tabs


ADD REFERRAL REFRESH MEMBER SUMMARY

ROW#	REF ID	REF SRC	REF CONTEXT	REF DT	TRACK DT	ACT SVG	EDIT
2.	DFQ092018-001	ER Dynamic	Q7UA56-1F1988A	2018-10-18	2018-07-28	\$ 78,695	EDIT

Tracking Outcomes Notes - Manage

ADD NOTE

NOTE BY	DATE	NOTE
SMARTLIGHT-CL	2018-05-29	<p>Summary of Findings: Over a 45-day period, this 14-year-old female presented to the Emergency Department (ED) at a hospital in XXXX, TX on five separate occasions. The total paid amount for the ED visits during the 3 month review period was \$18,827 with an additional \$1,356 in member paid. The patient had no inpatient admissions during this timeframe. Suggested Plan of Action: This member appears to be pregnant and receiving OB services from the ED at an average visit cost of approximately \$4,000. Ensure that this patient is enrolled in Case Management or similar intervention program (high-risk pregnancy program) aimed at reducing this patient's ED utilization and associated costs.</p>
TPA	2018-06-04	<p>6/6/2018 TPA nurse outreached to this member on 6/4/2018 and left a message. The letter was sent on 6/5/2018. The next outreach attempt is scheduled for 6/18/2018, 7/19/2018 This dependents mother is somewhat engaged with one of our nurses on her daughter's behalf and knows to call when she has questions or concerns.</p>
SMARTLIGHT - CL	2018-06-22	<p>TPA sent documentation indicating that the initial contact with the member's parent was made on June 4th, 2018. • Referral DF052018-001 (DEID Member ID N9ADA2-3X20XXB)</p> <p>August paid data file shows that the member appears to be receiving services only from an Obstetrics and Gynecology group since the member's parents were contacted on June 4th. Paid dollars per month has also decreased without frequent ED visits.</p>


Narrative documents attached to referral

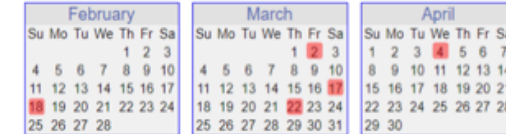
Category: High ER Utilization

Subject(s):

De-ID	Mbr ID	Date Range	Dean Paid	Mbr Paid
N9ADA2-3X20XXB		02/18/18 - 04/04/18	\$18,827	\$1,355

Summary of Findings:

Over a 45-day period, this 14-year-old female presented to the Emergency Department (ED) at a hospital in El Paso, TX on five separate occasions. The total paid amount for the ED visits during the review period was \$18,827 with an additional \$1,356 in member paid. The patient had no inpatient admissions during this timeframe.



Details of the facility portions of the visits for this member are given in the table below:

SUMMARY OF EMERGENCY DEPT VISITS		UNITS	DEAN PAID
Primary Diagnosis of UB Claims		32	\$18,579
2/18/18			
Pregnancy related conditions unspecified, 1st		14	\$3,680
Emergency Room		2	\$988
Laboratory / Ultrasound / Pharmacy		12	\$2,693
3/2/18			
Urinary tract infection site not specified		3	\$3,333

Suggested Plan of Action:

This member appears to be pregnant and receiving OB services from the ED at an average visit cost of approximately \$4,000. Ensure that this patient is enrolled in Case Management or similar intervention program (high risk pregnancy program) aimed at reducing this patient's ED utilization and associated costs.



KEY INSIGHTS

Key Insights

- ❑ Wasteful spend in the form of FWA is pervasive in every population of health claims
- ❑ Only way to know how much waste is in your health plan is to look -conduct an "MRI"





NEXT STEPS

Customized Plans



Initial Assessment

- Detailed analysis of 12-24 months of claims
- Actionable findings
- Root-cause analysis
- Coordinate with claims administrator to prevent future wasteful spend
- One-time fee
- Guaranteed 2X ROI

(Paid POC)

Concurrent Review

- Monthly proactive claim, provider, member, and code-level analysis on **medical claims**
- Root cause analysis
- Monthly prepayment coordination to offset future wasted spend
- Quarterly business review
- Guaranteed 2X ROI

Medical Only

Concurrent Review

- Monthly proactive claim, provider, member, and code-level analysis on **medical and pharmacy claims**
- Root cause analysis
- Monthly prepayment coordination to offset future wasted spend
- Quarterly business review
- Guaranteed 2X ROI

Medical + Pharmacy



THANK YOU

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