FRAUD DETECTION

CareSource Revamps FWA Detection with Advanced AI Analytics

Over $1.6 Million in Billing Irregularities Discovered

Challenge: Strengthening SIU Operations to Combat FWA

CareSource, a leading managed care organization offering Medicaid, Medicare Advantage, and Marketplace plans, faced escalating challenges in detecting and preventing fraud, waste, and abuse (FWA) across its diverse lines of business. With rising healthcare costs and increasingly sophisticated fraudulent activities, enhancing their Special Investigations Unit (SIU) became a critical priority.

Traditional FWA detection methods were insufficient to keep pace with emerging schemes. CareSource needed a comprehensive solution to:

- Proactively identify and address improper claims.
- Reduce administrative burdens.
- Maximize financial recoveries.
- Ensure compliance with regulatory requirements.

CareSource sought to strengthen its risk plan framework, leverage advanced technology, and standardize processes to improve efficiency and effectiveness in combating FWA.

CareSource

RESULTS SUMMARY:

AFTER ONE YEAR:

100+

Unique FWA Scenarios Were Reviewed for Risk

AS OF Q3 2024:

$37 Million

In Cost Avoidance

19x

ROI on SIU

Results Continue to Increase

Solution: Implementing Alivia's FWA Platform

In 2023, CareSource partnered with Alivia Analytics to enhance its SIU program by implementing two key solutions:

FWA Finder™: An AI-powered detection tool leveraging advanced algorithms and machine learning to identify complex fraud patterns, including unlisted code abuse, modifier 59 abuse, and imprecise billing.

Alivia Case Manager™: A comprehensive case management platform that standardizes processes, automates regulatory reporting, and provides real-time dashboards for monitoring SIU activities.

These solutions enabled CareSource to:

- **Integrate Comprehensive Data Sources:** Utilize external data such as provider exclusion lists, professional licensing boards, and Electronic Visit Verification (EVV) data to validate claims and provider eligibility.

- **Enhance Detection Capabilities:** Build targeted models to support risk plans and emerging schemes, improving case quality with a high true positive rate.

- **Standardize Processes:** Enforce standardization through technology, ensuring consistency and efficiency in SIU operations.

- **Improve Collaboration:** Share findings easily across the team, enabling faster audits, investigations, and recoveries.

- **Automate Regulatory Reporting:** Ensure accuracy and adherence to timelines, strengthening compliance efforts.

Key Results: Measurable Impact and Operational Improvements

The implementation of Alivia Analytics' solutions drove significant results for CareSource's SIU, with impact and savings that continue to grow::

Increased Lead Generation:

- **Unlisted Code Abuse:** Identified over **$600,000** in Not Otherwise Classified (NOC) respiratory tests billed over the last two years.

- **Modifier 59 Abuse:** Detected a doubling in the frequency of Modifier 59 usage, resulting in an increase of over **3,000 lines**.

- **Imprecise Billing:** Uncovered over **$1 million** billed for a specific procedure code with six units in the last two years.

Operational Efficiency: Standardized processes led to improved efficiency and consistency, enhancing workload management and resource allocation.

Enhanced ROI: Achieved a **19x ROI** on SIU efforts as of Q3, driven by technology integration, prepay initiatives, and cost avoidance strategies.

Cost Avoidance: Achieved **$37 million** in cost avoidance as of Q3, with continued growth expected.

Prevented Losses: Increased prevented losses through provider education, cost avoidance measures, sanctions, and corrective actions.

Regulatory Compliance: Automated reporting ensured accuracy and adherence to timelines, strengthening compliance.

Provider Education: Large-scale educational outreach to providers overutilizing NOC codes resulted in behavioral changes and decreased risk.

A Tech-Enabled Solution for Long-Term Success

Alivia provided CareSource with a robust solution that offered:

- **Advanced AI and Machine Learning:** Algorithms continuously learn and adapt to emerging fraud schemes, providing insights that improve over time.

- **Real-Time Insights:** Automated dashboards and reporting tools for swift decision-making and action, including investigation dashboards and inventory management.

- **Scalable and Customizable Models:** Ability to build targeted models supporting different markets and lines of business, aligned with the risk plan.

- **Collaborative Auditing:** Enhanced team collaboration through shared findings and streamlined workflows.

- **Process Automation:** Improved process accuracy and timeliness through automation, including regulatory reporting and provider education outreach.

About Alivia

Alivia Analytics leverages responsible AI and healthcare claims expertise to help commercial and government health plans lower costs by avoiding fraud, waste, abuse, and overpayments, optimizing payment processes, and confidently making data-driven decisions. The powerful, configurable Alivia Platform provides adaptive pre- and post-payment flexibility with tech-enabled services and SaaS offerings that holistically address challenges in payment integrity, fraud detection, investigative case management, and data management. Alivia's healthcare payer clients broaden ROI with increased operational efficiencies, decreased medical expense spending, bigger savings/recoveries, and lower provider and member abrasion.

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