

FRAUD DETECTION

# Missouri Medicaid Audit & Compliance Transforms FWA Detection Strategy

AI-Powered Analytics Yields \$50 Return for Every \$1 Spent

## Challenge: Tackling Rising Costs and Fraud in Medicaid

The Missouri Medicaid system, serving 1.3 million residents and processing over 100 million claims annually, faced mounting pressure to control costs and improve the detection of fraud, waste, and abuse (FWA). Medicaid spending in Missouri exceeded \$13 billion in medical benefits and \$2 billion in pharmacy benefits in 2022. Given the significant financial outlay, reducing improper payments became a top priority for state administrators.

Traditional FWA detection methods had proven inefficient, with existing tools and processes unable to keep pace with the scale and complexity of fraudulent activities. The multi-layered Medicaid system, involving numerous providers, facilities, and claims types, required a more advanced solution to proactively prevent overpayments and recover funds lost to improper billing.

Missouri's Medicaid Audit and Compliance (MMAC) team needed a comprehensive tool to efficiently identify and address improper claims, reduce the administrative burden, and maximize financial recoveries. The search for a solution led them to Alivia Analytics' FWA Finder™, a powerful AI-driven platform capable of revolutionizing FWA detection.



### RESULTS SUMMARY:

**23,327**

Leads Identified

**15,480**

Retrospective Leads

**7,847**

New Leads

**\$50:\$1**

Extrapolated ROI

## Solution: Implementing Alivia Analytics' FWA Finder™

In 2021, Missouri's MMAC team implemented Alivia Analytics' FWA Finder™ tool to tackle FWA challenges head-on. The tool is designed to enhance fraud detection, reduce improper payments, and ensure compliance with Medicaid regulations. By leveraging advanced AI algorithms and real-time data analysis, FWA Finder™ offers a tech-enabled service that integrates seamlessly into Medicaid operations.

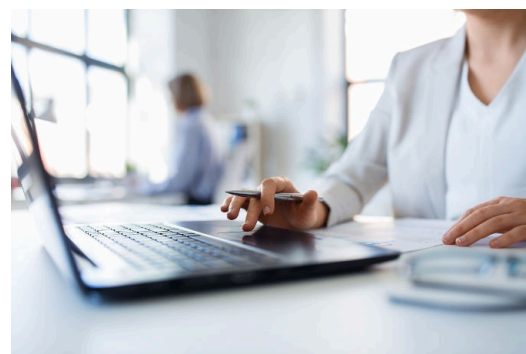
Over the course of three years, MMAC applied FWA Finder™ to analyze retrospective Medicaid claims data. The tool quickly identified areas of significant variance in spending, helping the MMAC team pinpoint potential FWA cases. The analysis focused on:

- **Providers (counselors, physicians, nurses)**
- **Facilities (outpatient clinics, hospitals)**
- **Service types (medical, pharmacy, behavioral health)**

The platform's algorithms highlighted irregularities such as:

- **Billing for more hours than possible in a day**
- **Services provided to multiple family members simultaneously**
- **Outpatient services billed while patients were recorded as hospitalized**

By applying these insights, MMAC auditors were able to identify improper billing patterns, recover improperly spent Medicaid dollars, and reduce the risk of future fraud.



### Key Results: Measurable Impact and Financial Recovery

In the first year of implementation, FWA Finder™ delivered impressive results:

**23,000+**

actionable leads were identified—15,480 through data validation and testing phases using 2018-2020 Medicaid data, and 7,847 new actionable leads generated in the first 12 months of operations.

**150**

unique FWA scenarios were reviewed, focusing on different provider types, service types, and claim anomalies.

These insights translated directly into financial recovery:

**\$2.2 M**

was recovered in a single month (July 2023)—exceeding the entire fiscal year's operational costs of the FWA Finder™ tool.

**ROI of \$50:\$1**

Extrapolated ROI indicating that for every dollar spent on the program, \$50 was recovered.

## A Tech-Enabled Solution for Long-Term Success

FWA Finder offered more than just immediate recoveries. Its capabilities extended to long-term operational improvements by equipping the MMAC team with:

- **Comprehensive data integration:** The tool utilizes external data sources such as provider exclusion lists, professional licensing boards, and Electronic Visit Verification (EVV) data to validate claims and provider eligibility.
- **Advanced AI and machine learning:** Algorithms continuously learn and adapt to emerging fraud schemes, providing the MMAC team with insights that improve over time.
- **Customizable queries and reports:** The MMAC team could generate specific queries based on provider type, service type, or location, allowing for deep dives into identified FWA patterns.
- **Collaborative auditing:** Findings could be easily shared across the team, enabling faster audits, investigations, and recoupments.

The proactive approach empowered Missouri Medicaid to move beyond traditional reactive FWA detection. The tech-enabled solution prevented future fraud while optimizing workflows and minimizing administrative burdens.

## Conclusion: Missouri's Path to Medicaid Payment Integrity

The partnership between Missouri Medicaid and Alivia demonstrates the power of AI-driven fraud detection in preserving Medicaid resources. The FWA Finder™ tool has transformed how MMAC identifies and addresses improper claims, delivering substantial financial recoveries while streamlining processes. With an **ROI of \$50:\$1**, Missouri's investment in Alivia's platform has proven to be both cost-effective and impactful, setting a new standard for Medicaid fraud detection. As Missouri continues to navigate rising healthcare costs, FWA Finder™ will remain a key tool in ensuring financial integrity and compliance across the Medicaid program.

## Why Choose Alivia?

Alivia Analytics stands out as a leader in providing tech-driven solutions that enhance fraud detection and operational efficiency for Medicaid programs. The FWA Finder™ platform offers unmatched capabilities to detect fraud, waste, and abuse, providing:

- **Advanced Data Analytics:** Leveraging AI and machine learning to uncover complex fraud patterns that traditional systems often miss.
- **Real-Time Insights:** Empowering teams to act swiftly on fraud detection with automated analysis and actionable data.
- **Scalable Solutions:** Customizable to meet the needs of state Medicaid programs, including data integration and reporting tailored to client specifications.
- **Proven ROI:** As demonstrated in Missouri, Alivia's FWA Finder™ can yield significant financial recoveries, far exceeding program costs.

## 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.

