



HMS Credit Balance Audit





Purpose

1

Understanding Credit Balance

Provide an overview of how Credit Balances are determined.

2

Understanding the Audit Process, Providers and Audits Types

Provide an high level overview of our Audit Process and Credit Balance Audit Approach. Provide examples of different providers and audit types for each.

3

Collaboration and Communication

Ensure questions and concerns are addressed and providers know how to contact HMS for questions and support.

Credit Balance Audit Overview

How Credit Balances Are Determined

Credit Balance = when total payments and adjustments applied to an account equals more than the total billed charges.

Credit Balances exist for many reasons:

COB, Improper billing, change in billing, duplicate payments, etc...



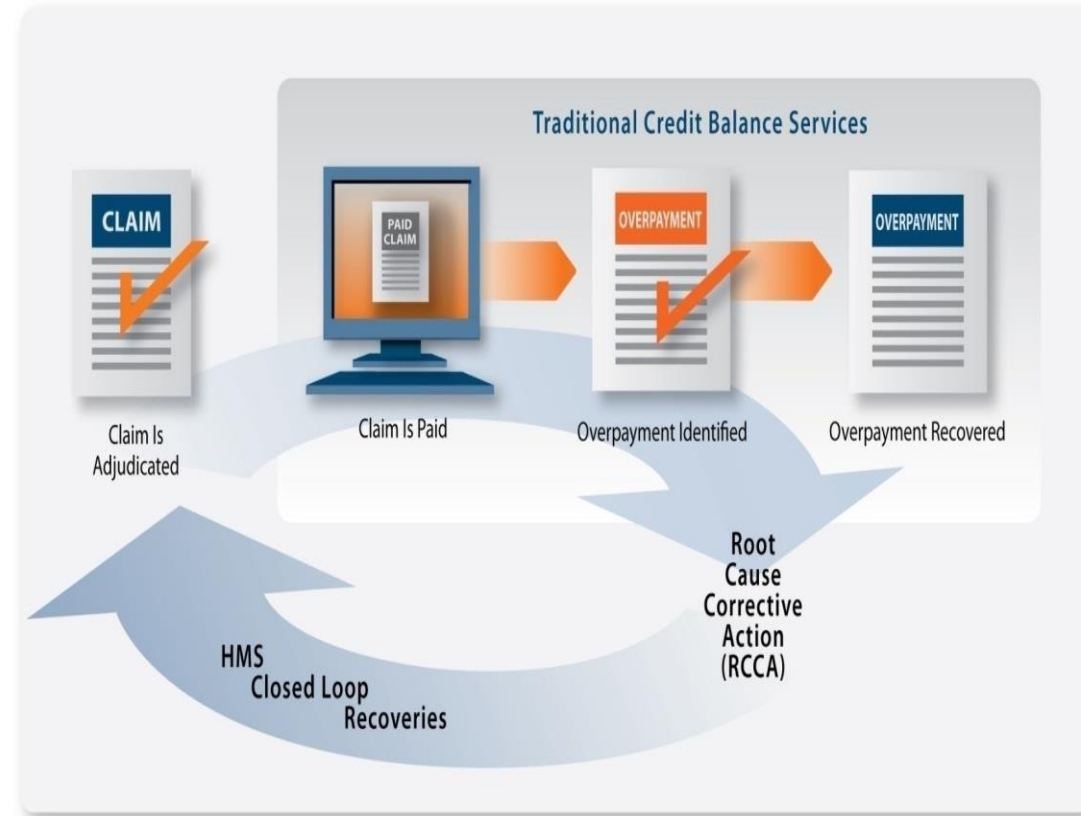


Process Flow High Level Overview

- Notification Letters are mailed to Providers requesting Credit Balance (ATB) and Debit Reports, where applicable, on the agreed upon mailing frequency
 - Based on volume of accounts reported, the review is conducted either onsite or remote “desk” audit
 - Some Providers allow onsite Day 1 review; others allow remote access
- During the audit, the PSA performs an analysis of the financial records in order to determine if an overpayment exists. For all refunds found, the PSA:
 - Enters claims into our Internal Platform, InVision
 - Obtains all required supporting backup documents
 - Reviews findings with Provider, providing Root Cause Analysis
 - Obtains sign-off approval from Provider
 - Coordinates repayment to client with Provider
- PSA look for trends during reviews for data mining opportunities

Credit Balance Audit (CBA) Approach

- Offers comprehensive integrated post adjudication financial audit review of hospital credit balances by leveraging the payer and provider's resources to identify the following:
 - ✓ Duplicate/similar claim overpayments
 - ✓ Coordination of benefits (COB) errors
 - ✓ Payments in excess of client's contractual requirements
- Includes experienced Provider Service Analysts (PSAs) that perform on-site/desk/remote reviews at hospitals across the country
- Develops provider relationships to a “dependency” level, becoming integrated into the credit balance adjudication process in which the provider relies on HMS services
- Provider frequency is based on Payer recovery opportunity; which is determined by the inpatient hospital expenditures

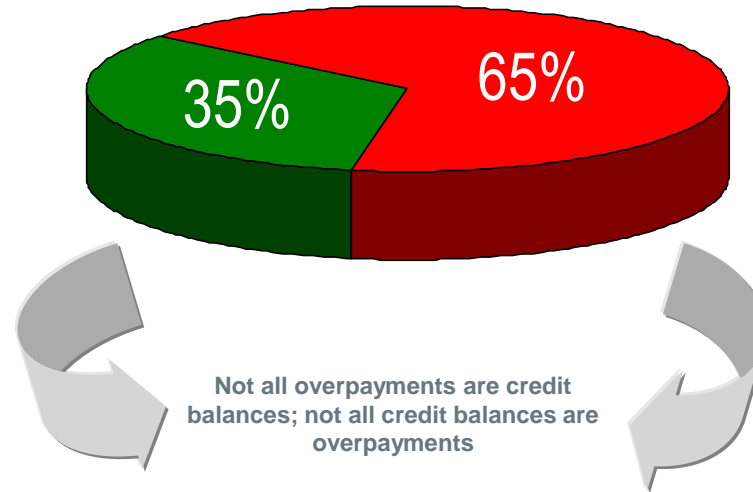


CBA Approach

ROOT CAUSES

MONETARY

- COB
- Retroactive payments
- Duplicate payments
- Incorrect payments
- Cycle billing errors



NON-MONETARY

- Inaccurate postings
- Charges written off in excess of amounts actually billed
- Provider A/R collection systems modeling net revenue at the time of billing

HMS approach leverages multiple processes to identify all overpayments

Providers and Audit Types

Hospitals

Onsite:

- Preferred method of overpayment recovery
- Providers with high volume/dollars of credits
- Mitigates provider abrasion
- Become integrated in provider's refund process

Desk:

- Providers with low volume/dollars of credits
- Rural providers with low frequency
- Providers with no desk space and will not allow remote system access

Dialysis Providers

Provider Self-disclosure:

- Provider sends a self-reporting file disclosing all credit balances (historically used by Fresenius Medical Care and DaVita)

Desk/Remote:

- Provider sends all audit documentation in order for HMS to conduct a remote review

Other Providers

(Physician, OB, OP Surgery Centers, etc.)

Provider Self Disclosure:

- HMS sends monthly/quarterly letters to selected providers
- Provider sends a self-reporting file disclosing all credit balances
- Targets all provider types
- In aggregate, designed to identify all overpayments

Credit Balance Experience

Credit Balance Audit Experience



+1500 Providers

Provider Education

Provide root cause analysis to stop same problems from happening in the future.



Work in 24 states serving both Medicaid & Commercial Clients

12

Years HMS has been conducting CBA reviews

\$100M

Average amount of recoveries each year for our clients.

REFUND

.25% - 1%

Average amount recovered of total hospital expenditures

Avg claim size – work all claims to a \$0.00 balance

\$1800

HMS Credit Balance Audit Contacts



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Moving healthcare forward.

Thank you and we look forward to working together.



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