

## Employer Audit Programs & Technology-Based Audits

### Why Choose MBA for Audits?

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website:  
[www.mbanews.com](http://www.mbanews.com)

One day, you might stop and think...

"Why are our employee health care benefits so expensive?"  
"Have health care costs for our employees always been this high?"

"Are you being overcharged?"

These companies found that they were drastically overcharged:

#### Case #1

Situation: An MBA assessment noted that a \$2 billion dollar steel company had a 30% increase per employee per year over a two year period.

Audit Finding: MBA identified a 26% overcharge rate in a fee arrangement based entirely on the head count. Further investigation revealed numbers which did not balance and ancillary charges hidden within the head count fees. These companies found that they were drastically overcharged:

That's where MBA comes in. We help employers figure out how and where their health care benefit dollars are spent. Our audit programs are aided with powerful tools that get the job done right, the first time.

Don't continue to throw away money - let the professionals at Medical Business Associates show you that you can have a successful audit that will save you money.

#### Case #2

Situation: An MBA assessment noted that a \$2 billion dollar steel company had a 240% increase in workers compensation fees over a 3 year period.

Audit Finding: MBA identified a 240% increase in ancillary fees over a three year period, hidden in monthly deposits, and were never addressed in the original contract with the employer.

#### Case #3

Situation: An MBA assessment noted that this \$200 million per year utility company never audited their TPA vendor invoices. Prior audits were limited to accuracy of claims processing only.

Audit Finding: MBA recognized limitations in a Third Party Administrator (TPA) contract which prevented the employer from auditing their invoices. A separate contract needed to be negotiated with the vendor in order to have LIMITED access to SOME of the claims processing issues.

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#### Case #4

Case #4

Situation: An MBA assessment noted that a manufacturing company under their group health plan had a significant increase in their average rate per employee fee.

Audit Finding: MBA discovered that a nationally known Third Party Administrator (TPA) could not verify the actual claimants to whom they had applied their per employee fee due to computer issues.

#### Case #5

Situation: An MBA assessment noted that a manufacturing company had a contract with a right to audit clause that limited auditing to accuracy of claims only.

Audit Finding: MBA was limited to auditing accuracy of claims processing and was unable during the current contract period to audit the accuracy of the invoices submitted by the payer. MBA assisted the client with a "right audit" clause and access to specific data elements in order to control future expenditures.

#### Case #6

Situation: An MBA assessment noted that this manufacturing company under their group health program had different fees for the same services among their employee population.

Audit Finding: MBA found that the silent PPO was not consistently applying provider discounts among employer employee population due to vendor system issues.

As health care costs continue to escalate - now pacing at 15% or more per year - the value of the health care audit is growing.

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## How Are Audits Performed?

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There's the traditional way...

- When audit findings are carried out the traditional way, whether reactive or proactive, they are usually too little, too late.
- Reactive audit findings usually come from luck, observations or employee tips.
- The proactive method is completed by sampling various data by hand, which can be very time consuming.
- With proactive sampling, there is no way to confirm that the sample is representative of the population.

There is a better way...

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## Save Time & Money

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### Take advantage of advanced technology

Reactive findings are executed by using a computer to help with both deductive and inductive data mining approaches.

- Focused queries search for data anomalies and red-flag items.
- By using technology to help with audits, you can easily focus on 100% of the population and all transactions, which will make work more efficient and accurate.

This is the way it is done at MBA

## Problems With Limited Technology

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### Let's examine this case study...

Cross correlations of data are very complicated. Since there so many inconsistencies in personal identification data, searching for one address could become very time consuming.

For example, assume your address is 925 South, 700 East, Jackson, New Jersey, 00035-4658. The following are ways in which you might write your address:

- 925 S. 700 East, Jackson, New Jersey, 00035-4658
- 925 So. 700 East, Jackson, New Jersey, 00035-4658
- 925 So. 700 E., Jackson, New Jersey, 00035-4658
- 925 S. 700 E. Jackson, New Jersey, 00035-4658
- 925 South 700 E. Jackson, New Jersey, 00035-4658
- All of these combinations with N.J. instead of New Jersey
- All of these combinations with NJ instead of New Jersey
- All of these combinations with 00035 instead of 00035-4658
- Other variations

Those were all of the direct matches. Indirect matches (relatives, etc.) are even more difficult.

To find indirect matches to the address would requires complex logic applications, rather than looking for a match by hand.

## What is Needed for an Audit?

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To perform a successful analysis, these key elements are required:

- Proprietary data mining tools to run audit procedures which identify lost healthcare resources.
- Domain Expert to understand the business, the benefits environment, and parties involved.
- Fraud Expert to understand potential red flags.
- Health Care Reimbursement Expert to understand payment methodologies.
- Programming Expert to access databases, program scripts, select effective queries, generate data patterns for analysis and interpretation.

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## Don't Be Overwhelmed

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Performing a successful audit isn't easy.

Now that you know what it takes to carry out a successful audit, don't try to take it on by yourself. MBA has the advanced technology and experts available to complete an audit, accurately and efficiently.

## MBA Fee Schedule

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- Assessment and contract evaluation fee.
- Contingency fee and hourly options are available.
- Implementation Strategies may be quoted at an hourly rate.
- Data bases that involve more than 400,000 lines of data will require an additional assessment fee.
- Data retrieval quoted separately.

## Contact MBA

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