How Much is Your Auto-Adjudication Approach Costing You?

Automated Auto-Adjudication – is Yours as Good as it Can Be?
The number of medical bills related to a workers’ compensation claim can quickly overwhelm an adjuster and impact the level of service provided to the injured worker. Some payers address this by automatically approving bills under a certain dollar threshold for certain claim types. In this edition of Acrometis’ Strength In Numbers series, we reveal that dollar-based automatic approvals can be costly and establish dangerous precedence for providers. As our data reveals, all bills need to be evaluated for appropriateness and relatedness, regardless of the dollar amount.

Paying bills you shouldn’t
As we reported in an earlier Acrometis Strength in Numbers, bills that are returned due to being ineligible, duplicates, unrelated, or lacking proper details are not resubmitted 81% of the time (http://www.acrometis.com/strength/0213.htm). Our analysis revealed that the percentage of bills being returned is greatest at the lower dollar values (e.g., $100-$250). In this analysis, auto-approving all submissions under $250 results in over-paying by $8 million, if you look at only submissions that were returned and not resubmitted. Applying the same approach to all the submissions analyzed (more than 200,000 claims) results in over-payment of more than $133 Million. These aren’t trivial numbers.

Based on Analysis 200,000 Workers’ Comp Bills from $0 to $1,000

![Chart showing total spent by size of bill and overpayment due to blind auto-adjudication](chart.png)
Taking Responsibility for Things You Shouldn’t

Auto-approval also carries a risk for agreeing to something that exposes you to greater costs. In some jurisdictions, agreeing to pay for something as minor as a drug prescription can result in your accepting all responsibility for the claim.

Billing documents can also contain additional information that might be overlooked on a smaller bill. In New York state for example, approving payment for seemingly routine medical services, such as an office visit, on the front of a New York C-4 claim form also means accepting the doctors proposed treatment for medical services over $1,000, such as an MRI, requiring pre-authorization pursuant to medical treatment guidelines. Auto-accepting small dollar submissions can result in also accepting much larger and possibly unrelated services.

Auto-adjudication = Dollar value + Relatedness + Appropriateness

Asking adjusters to apply the same level of review to relatively low dollar claims isn’t the answer, but the costs of not looking at these incoming billing documents are significant. Each billing submission needs to be reviewed for compensability, relatedness and appropriateness, regardless of the dollar value. Billing submissions contain more than just treatment codes and charges, these submissions can establish precedence and liability.

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Acometis’ CLAIMExpert® is a claims processing solution which works with your Claims Administration system to automatically scrutinize all submissions and take the proper action including returning to submitter, auto-adjudicating or bringing it to the adjuster’s attention. Clients using CLAIMExpert are able to auto-adjudicate up to 75% of the billing documents while still reviewing each submission for appropriateness and relatedness to the claim. CLAIMExpert is a private cloud-based SaaS (Software as a Service) solution, implemented, hosted, maintained and updated by Acometis and it can be integrated into your existing claims environment with no capital costs incurred and limited internal IT involvement necessary. Implementation efforts are minimal, performed by Acometis, and typically claims processing can begin within 90 days at which time you only pay for processing, based on what you actually process.

Auto-adjudication, as delivered in CLAIMExpert, relieves claim handler’s burdens enabling them the ability to focus on those complex issues related to the most challenging claims and at the same time insure that your review processes are uniform, consistent and efficient while avoiding more problematic issues including establishing precedence leading to incumbent liability.