

Why Burchfield?

Achieving a Successful Medicare Part C and Part D Reporting and Data Validation Audit

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THE BURCHFIELD GROUP

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Major changes are on the horizon for Medicare Advantage and Part D plan sponsors, and auditing and monitoring your data is about to get significantly more complex. You will be required to engage an independent third-party contractor to conduct a data validation audit of Part C and Part D reported measures, and have the audit results submitted to the Centers for Medicare and Medicaid Services (CMS) in early 2011. The driving force behind this change is CMS's goal of compiling more reliable, valid, complete and comparable data among sponsoring organizations.

The risks are two-fold. Any delays or mistakes in your data validation audit or undetected errors in reporting your data measures could pose serious risks to your organization. Anticipated pitfalls of this process include poor vendor selection, missed deadlines, excess internal workloads and incomplete or inadequate submissions. These issues can be costly, and can lead to CMS corrective actions and exposure to penalties under the revised False Claims Act and the Fraud Enforcement Act of 2009.

Because of its importance, the best time to start preparing for your data validation audit is now – and the first step is choosing an experienced data validation audit partner. While many vendors are scrambling to get a share of this work, very few have the specific qualifications you need to ensure project success. In this paper, you'll discover how The Burchfield Group (Burchfield) provides the experience, processes and personnel needed to eliminate risk and bring value to your data validation audit.

Company Experience

Burchfield is a consulting and auditing firm with one of the most experienced data validation and audit teams in the industry. In addition to our well-known IT, systems, pharmacy benefit management (PBM) and Medicare Part D expertise, we have added knowledgeable experts to reinforce our capabilities in Medicare Part C and finance.

Burchfield has been providing clients with audit and oversight services since the company was founded in 1998, and has been performing Medicare Part D audits since the program's inception in 2006. Every year, Burchfield conducts dozens of detailed audits for managed care organizations and commercial entities, as well as hundreds of ongoing quarterly and annual pricing reviews for all of our clients. Our services include:

- Pricing audits
- Benefit audits
- Prescription Drug Event (PDE) audits
- Medicare Part D policy and procedure review
- Fraud, Waste and Abuse policies and procedures review

- Fraud, Waste and Abuse independent data review
- Rebate audits
- Retiree Drug Subsidy (RDS) program year-end reconciliation

Our long history conducting audits and reviews within virtually every facet of the Medicare and Medicaid systems gives us broad and thorough knowledge of CMS reporting requirements and technical specifications. This familiarity will be invaluable as we carry out Medicare Part C and Part D data validation audits for our clients.

Data-Driven Approach

It is important to realize that CMS's data validation and reporting requirements are all about data and data quality. Even more than Medicare experience, the vendor you choose must have detailed experience handling and analyzing data in order to help you meet the requirements with confidence.

Burchfield is an IT and data-driven company with nearly 20-percent of its personnel focused on IT and systems development. Our significant IT investment is evident in our custom-built claims auditing system – the industry's best audit and analytical technology. We use this advanced tool for benefit design validation, ensuring benefits are accurately applied to clients' claims.

Burchfield also offers many other technological advantages. Our team's technology development expertise allows us to work with other organizations' systems and compare them against industry standards – a necessity for data validation audits. Our core systems are built on XML and SQL technologies to provide flexibility in auditing, storing and analyzing our clients' health-care data. Plus, all of Burchfield's systems adhere to HIPAA, HITECH and privacy requirements.

Burchfield's extensive audit experience gives us a wealth of data-driven industry insight. Each year, we review more than a 100 million claims as part of audits. This broad market understanding enables our consultants to provide accurate benchmarking, identify trend issues, develop best practices and implement them effectively.

Proven Results

The Burchfield Group has a track record of data validation audit success. In fact, a recent client survey conducted by a third-party vendor found that 95-percent of our clients were pleased with our services or would recommend Burchfield to others. The data validation case studies below demonstrate our results, and we encourage you to request our references as well.

Case Study #1: Large Health Plan

Fast Facts:

- 600,000 members
- 7 million claims
- \$20 million in quarterly rebates
- \$60,000 in underpaid rebates revealed by Burchfield audit

A large health plan hired Burchfield to perform a process and system audit of their rebate processing firm to validate all rebate payments and determine if timely and accurate payments were taking place.

Our recommendations included improvements to the rebate processor's database, security, scalability and payment allocation methodologies. In addition, we discovered a breakdown in allocation methodologies – allowing our client to recover \$60,000 in underpaid rebates.

Burchfield's review supplied the rebate processor with important information about the limitations of their systems and processes, providing value to both the client and the rebate processor.

Case Study #2: Regional MA-PD Health Plan

Fast Facts:

- 55,000 members
- 5 benefit plans
- 2.5 million claims
- \$111 million in plan costs
- \$1.3 million in inappropriately paid claims uncovered

A multi-million dollar Medicare Advantage and Prescription Drug (MA-PD) health plan enlisted Burchfield to audit its claims. We uncovered that incorrect Medicare Part D provider network pricing had caused more than \$1.3 million in inappropriately paid claims.

Our audit also revealed that PDE data was incorrectly mapped by the vendor. If this mistake had not been discovered, the plan would have submitted inaccurate files to CMS.

Case Study #3: Regional MA-PD and PDP Health Plan

Fast Facts:

- 80,000 members
- 14 benefit plans
- 4.1 million claims
- \$155 million in plan costs

An MA-PD and Prescription Drug Plan (PDP) health plan engaged Burchfield to audit their pharmacy benefit plans. During the audit, our Fraud, Waste and Abuse program identified two serious problems: the potential for duplicate eligibility and for controlled substance abuse by pharmacies and members. We provided the client with recommended next steps to resolve these issues.

In addition, we exposed outliers to the PBM's adjustment process and outlined new PBM processes to make certain all necessary adjustments were captured and processed. Finally, Burchfield validated that each PDE record submitted to CMS had a corresponding source claim. When errors were found, they were brought to the client for the PBM to research and resolve.

Staff Background

Burchfield's staff of more than 40 full-time professionals understands the complexity, uniqueness and challenges involved in supporting health-care benefits. Our new Burchfield Data Validation Team was developed exclusively to meet and exceed the CMS-specified requirements for third-party reviewers.

The Burchfield Data Validation Team is led by our Senior Vice President and Chief Operating Officer, Chris McPartland, who also heads our cost control and contract administration functions. Our team has extensive experience with Medicare Part C, a background in applicable managed-care operations and a comprehensive understanding of Medicare Part C and Part D regulations. In addition, they're experts in reviewing claims, medical records and source data. Their disciplines include:

- Finance professionals
- IT programmers and database professionals
- Claims auditors
- Health-care reporting and data analysts
- Health-care operations and compliance analysts

The data validation team also collaborates closely with other highly qualified Burchfield staff members. For more information on our Data Validation Audit Team members, please refer to our staff biography information sheet.

Facilities and Systems

The Burchfield Group takes the confidentiality and security of Personally Identifiable Information (PII) and client information extremely seriously. Confidential data will only be disclosed to the trusted personnel who need to view it in order achieve your project goals. Our security measures include:

- Secure workplace policies
- Data transmission security
- Compliant data retention and disposal policies
- Secure data classification

- Quality assurance monitoring
- Internal data controls
- Onsite security data protocols

These rigorous security practices demonstrate the high level of importance we place on protecting your data and client information. For detailed information about our security procedures, please refer to our "Security Practices & Procedures" information sheet.

Data Validation Audit Process

Because of the condensed timeframe set by CMS for submission of the final validation, Burchfield has developed an audit approach that spreads the preparation work for the final 2011 validation throughout 2010. This approach allows plan sponsors time to correct any issues that are uncovered throughout the year, as well as to mitigate the outlay of resources that will be necessary during the final validation timeframe. Our approach advocates the following steps:

- Completion of a readiness/needs assessment to identify areas in which the plan sponsor must focus in order to be prepared for the final validation
- Development and fine tuning of the Operational Assessment Instrument (OAI), which will facilitate a smooth final validation process
- Implementation of periodic reviews to check compliance with the data and reporting measures so that corrections can be made to any issues during the reporting year
- Completion of the final validation in 2011

Next Steps

With our experience in IT/data, Medicare, finance, and audit, Burchfield can provide you with confidence that validation of the data and reporting measures will be completed thoroughly and accurately in order to satisfy the CMS requirements. As you make the vendor decision, Burchfield suggests the following next steps:

- Join us on March 10, 2010, for a complimentary webinar on data validation and reporting. Click <https://burchfieldgroup.webex.com> to register.
- Get a readiness assessment from the experts at Burchfield by calling Chris McPartland at 651-389-5643.
- Check out our Medicare Part C and Part D Data Validation Resource Center at <http://compliance.burchfieldgroup.com>.

About Burchfield: 1-800-778-1359

Burchfield is a consulting and auditing firm with one of the most experienced data validation and audit teams in the industry. We have been providing clients with audit and oversight services since the company was founded in 1998 and with Medicare Part D audits since the program's inception in 2006. Burchfield conducts dozens of detailed audits for managed care organizations and commercial entities every year, as well as hundreds of ongoing quarterly and annual pricing reviews for all of our clients. In addition to our IT, systems, PBM, and Medicare Part D expertise, we have expertise in Medicare Part C and finance.