Choosing the Right Medicare Data Validation Vendor
The 12 Key Questions for Achieving Value

Medicare Advantage Organizations (MAOs) and Medicare Part D plan sponsors have an important decision ahead – and making the wrong choice could put your organization at risk.

Newly implemented regulations from the Centers for Medicare and Medicaid Services (CMS) require you to hire a third-party contractor to conduct a data validation audit using CMS-prescribed standards. According to CMS, these independent audits of Part C and Part D reported measures will ensure health plans are reporting health and drug plan data that are reliable, valid, complete, comparable and timely.[i] The first annual mandated audit is scheduled to occur early in 2011 for calendar year 2010 data.

A Critical Decision

Choosing the right data validation vendor will be a critical decision for every MAO and Part D plan sponsor. It will be the most important choice in the process of determining whether your organization succeeds or fails in meeting these new requirements.

Additionally, poor vendor selection can have serious consequences, including:

- ✓ Excess workloads for you and your staff.
- ✓ Missed deadlines.
- ✓ Inadequate assessment of submissions.

Each of these missteps can cost you money, and missing deadlines and filing improper submissions could be especially risky. At worst, these mistakes can lead to CMS corrective actions and expose your plan to penalties under the revised False Claims Act and the Fraud Enforcement Act of 2009.

Be a Prudent Buyer

Plan sponsors should approach the vendor selection process with diligence. Final CMS data validation standards have not yet been released; however, many vendors are cropping up claiming expertise. Because Part C and Part D data measure validation is new with no finalized guidelines, it is clear that no potential vendor (with the exception of a few pilot program participants) has completed this procedure before.

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Despite the newness of this process, with the right interview questions, you can find a highly qualified data validation audit partner. When you are interviewing vendors, it is best to use behavioral interviewing, asking questions around specific examples instead of generalized inquiries. Taking this approach will allow you to keep a tangible record of your candidates.

The following 12 questions will help you properly frame your interviews to discover each vendor candidates' true qualifications. Along with the guidelines offered by CMS[ii], they'll assist your search for a trustworthy vendor who can successfully navigate the complexities of the reporting requirements while creating value and eliminating risk for your organization.

The 12 Key Vendor Questions

Company Experience and Qualifications

1. *What is your data validation résumé?*

    Many data validation companies have a good reputation for a broad set of services, but fewer have Medicare experience and an even smaller number have extensive knowledge of Medicare Part C or D. While experience with both Part C and Part D is important, this audit relies heavily on data, so having data auditing experience is paramount. It's also important to determine that both the vendor and the employees working on your account have plenty of experience with Medicare data validation.

2. *Who are your references?*

    Don't settle for a reference outside your industry. It's important to ask for specific references on similar types of data validation projects for managed care or PBM organizations.

3. *Do you have the resources to meet our deadlines?*

    Many potential vendors – even large consulting organizations – only have the resources to manage a few implementations at a time with experienced personnel. This could be especially problematic for CMS data validation audits, because all organizations will be completing the process within the same timeframe. While there may be options to do some work in advance, it is helpful to learn how many obligations the vendor currently has and how many they can implement simultaneously.

4. *Do you have the flexibility for sizing our project?*

   Beware of 'one-size-fits-all' vendors. Remember price is often a substitute for service, so be skeptical of any vendor who casts out a single price regardless of your project scope. Your vendor should lay out a range of scope early in your discussions, and narrow the scope as more specific conversations occur.

5. *Will you be able to provide support over time?*

   Look for a vendor with staying power. Since this is an annual process, a company with a long track record of success will likely be there to support you in the future, especially as additional requirements are added or changes are made to the data validation process.

Process & Approach

6. *Do you have a complete work plan?*

   Any vendor can say they'll do the work, so instead require them to show how they'll successfully complete the work. Ask to see a detailed project work plan that includes responsibilities, timelines and interdependencies.

7. *Does your model minimize my internal workload?*

   The data validation audit will require work and oversight on your part, but looking at the vendor's plan and asking questions will give you a better idea of whether your internal workloads have been taken into consideration. Be sure to get a general idea of what your workload will be, and make sure progress reports will be scheduled to keep things on track.

8. *Do you have a process to measure your performance?*

   The vendor you select should be concerned about quality and customer satisfaction. To demonstrate this, they should be able to show you the customer satisfaction survey questions that they ask at the end of a project and results from loyalty or net promoter score surveys.

Staff

9. *What are the qualifications of the team members working on my project?*

    Many vendors may tell you they have a pharmacist or statistician on staff. In fact, larger consulting firms often provide a 'laundry list' of company-wide functions– but that alone is not enough. Instead, ask for specific resumes of the staff who will be actually assigned to your project. This reveals the proposed account team's level and depth of experience.

10. *What are the qualifications of the management personnel working on my project?*

    Look for managers with previous experience in complex data validation projects. They'll be invaluable if the team encounters obstacles during the audit. Try to avoid loosely constructed reporting relationships, such as a practice leader located in one city with team members in another. While we live in a virtual world, there is no substitute for the exchange of ideas, staying up-to-date and completion of work based on co-located resources.

Facility and Security

11. *What are your security processes for electronic data and paper records?*

    Your vendor candidates should provide detailed information about how data is handled and managed. You may want to confer with your own internal IT and security personnel to ensure the vendor's practices are satisfactory.

Intangibles

12. *Do I feel comfortable with the vendor candidate and will I get fair value for my investment?*

    This is an important question to ask yourself before you make a final vendor selection. Make sure you meet with your candidates, either in person or by phone. Ask yourself whether you are at ease with the team who will be working on the project, not just with the sales or consulting representatives doing the pitching. The best way to determine value is to talk with references about the quality of work performed by the vendor on similar projects in the past.

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[i] http://www.burchfieldgroup.com/download/MemoDVAQandA_11.23.09.pdf

[ii] http://www.burchfieldgroup.com/download/Data_Validation_Standards_090809.pdf

About The Burchfield Group
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The Burchfield Group 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 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 our clients. In addition to our IT, systems, PBM and Medicare Part D expertise, we also have expertise in Medicare Part C and finance.

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