Performing random audits at your practice is a thing of the past. Here's how to use predictive analytics to get the most out of audits.

Source: Physicians Practice

Frank Cohen has a somewhat jarring reality for practices and he is going to share it at this year's Medical Group Management Association (MGMA) Conference in Anaheim, Calif.

"I want attendees to know that the government hates them and will do everything they can to get them. Our job is to do everything we can to defend them," says Cohen, director of analytics at Doctors Management LLC, a healthcare consulting firm located in Clearwater, Fla.

Cohen says predictive analytics are a way for practices to better prepare for government audits regarding overpayments and care and quality improvement. At the conference, Cohen will present on how practices can stay a step ahead of the government when it comes to audits. His session is scheduled for Monday October 9 from 7 to 8 a.m. Pacific at MGMA17.

Physicians Practice sat down with Cohen to talk about the importance of predictive analytics in healthcare.

Physicians Practice: Tell me about what you will be presenting at this year's MGMA conference?

Cohen: We're going to look at the historical perspective of auditing and then focus on how the government has moved into a more sophisticated space with regard to identifying physicians, code, and modifiers that are at risk. The session is on predictive analytics, which is what the government has been using in order to identify high-risk targets. We're going to look at what the government sees. We will see how those algorithms are developed and see what we can do in our own practices in order to identify procedure code modifiers and physicians that may have the highest risk of being audited when it comes time.

Physicians Practice: What are the advantages of using predictive analytics when it comes to audits?

Cohen: Two main reasons. Number one, getting audited has become almost inevitable. If [practices] don't do risk-based auditing then they're wasting resources looking for a needle in a haystack, and nobody has ever found a needle in a haystack. We have all of this great technology available to us now to be able to build an audit plan that focuses on those specific areas [of your practice] most likely to be at risk, so we need to use them.

The second part is that the government has made it very clear that they are expecting practices to step up their game, and become more sophisticated in the ways they identify and self-report overpayments. This is part of the new 60-day payback and the six-year lookback. The government has a higher expectations on practices to do their own policing.

Physicians Practice: Explain why a practice should steer clear of random audits and use a focused approach?

Cohen: For example, a practice has a fixed amount of resources, X amount of dollars in the budget, and X amount of employees. We need to deploy those resources in the most efficient way possible. Doing things like random audits is the least efficient way because no matter how well a job you do, our studies show you will miss at least 80 percent of all risk events. This is because [practices] don't have the resources to cover enough territory. Let's say you have 600 physicians and you want to audit 10 charts for each physician, that's 6,000 charts. If that's what you're budgeted for, what we're saying is audit only those 10 that are most likely to be a risk.

Physicians Practice: What should attendees walking away from your session take with them?

Cohen: The first thing is to understand what risk really means. The second part is that [attendees] will be able to use some of the tools we give them to develop their own risk-based audit plan. Finally, I hope they will take some of the information and pursue it on their own, because we won't have enough time to cover everything in depth.