Claim Reprocessing – Pharmacy Benefit Manager (PBM)

Highlights

- UST Global addresses scalability challenges with the re-engineering for the adjudication engine, reducing the 330 day time estimate to less than 45 days – well under the available span of 90 days

- For 2006, around 40 million claims re-processed and PDEs re-submitted in span of 45 days. The re-usable design enabled the PBM to handle the restatement volume in subsequent years

- Reduced Costs –
  - ✓ Reduced manual intervention - cost savings in tune of $500k for the year 2006
  - ✓ Reduced processing time with optimized file processing
  - ✓ Less CPU (Central Processing Unit) usage
  - ✓ Re-usable design

Client Profile

The client is a leading healthcare insurance provider, which has contracted with the Centers for Medicare and Medicaid Services to provide Medicare Part D benefits to its subscribers.

Business Environment

The PBM of a large Health Insurer manages Medicare Part D claims throughout the year. The PBM submits the PDE (Prescription Drug Event), which is a summary record that documents the final adjudication of a dispensing event, to CMS (Centers for Medicare and Medicaid Services). Dispensing event encompasses the process of submitting the drug prescription, submission of the claim for the drug, and finally dispensing or giving the drug, after appropriate assessment of the claim which is called adjudication. CMS uses these records to execute the payment provisions of the Medicare Prescription Drug, Improvement and Modernization Act (MMA). For the reasons cited above, the PDE records must be accurate.

Business Requirement

- To correct and re-submit the Medicare Part D PDE records to CMS within the mandated deadline

IT Requirement

- Re-process 40 million claims within 3 months to meet the PDE submission deadlines for the 2006 Medicare Part D claims

Challenges

- The PBM's existing process handled the claim processing in the range of hundreds
- Each claim is processed as a set of messages which includes all the details that make up a claim. This method of simulation causes a delay in the processing of claims due to mass submission of these messages. The system has to convert all the messages back to normal claim layout to start adjudication
- The available time frame was 3 months and the estimated number of days for processing 40 million claims, with the existing process was 330 days, considering 24/7 working hours

UST Approach

- UST IT team realized the scalability challenges with the existing implementation. UST re-engineered the restatement engine to address the restatement volumes and mandate timelines
- Processed claims as data files, instead of user entries, using the existing adjudication engine
- Leveraged the claim layout as-is without converting to message format
- Reduced the process overhead to translate message back to claim layout
- Eliminated the validation process of all the input fields
- Stored the re-adjudicated claims in a flat file instead of Point-Of-Sale Claims DB