

How “smart prepay” review optimizes your claim payment stream

Just like safe, clean drinking water must first undergo a series of filtration stages before getting to your faucet, you can't be confident in your claim payment stream without an integrated system of payment integrity (PI) efforts. Here is what a smart prepay integrity system looks like—beginning with multifaceted prepay review and ending with a vital postpay safety net and prepay feedback loop.



Claim
stream



Health plan adjudication

Water first must be collected and then strained to remove the largest obstructions present, such as rocks, debris, and sand. Likewise, payment integrity begins at the health plan with early adjudication to identify obvious errors.

Manage
utilization

Verify
eligibility

Process
claims

Apply
provider
pricing

Data collection

Supplemental clinical and nonclinical information supports the PI process.

Medical records

Contracts

Public information



With the largest debris removed, water must go through the next step of chemical filtration to remove the smaller, but still unsafe elements. Similarly, PI's next step moves through a number of important prepay filters to catch as much error, waste, or abuse as possible before paying the claim—so you can hold down costs, decrease administrative burden, and ease provider abrasion.

Let's explore each of these in more detail.

Prepay waste and abuse monitoring

Automated prepay editing and coding validation

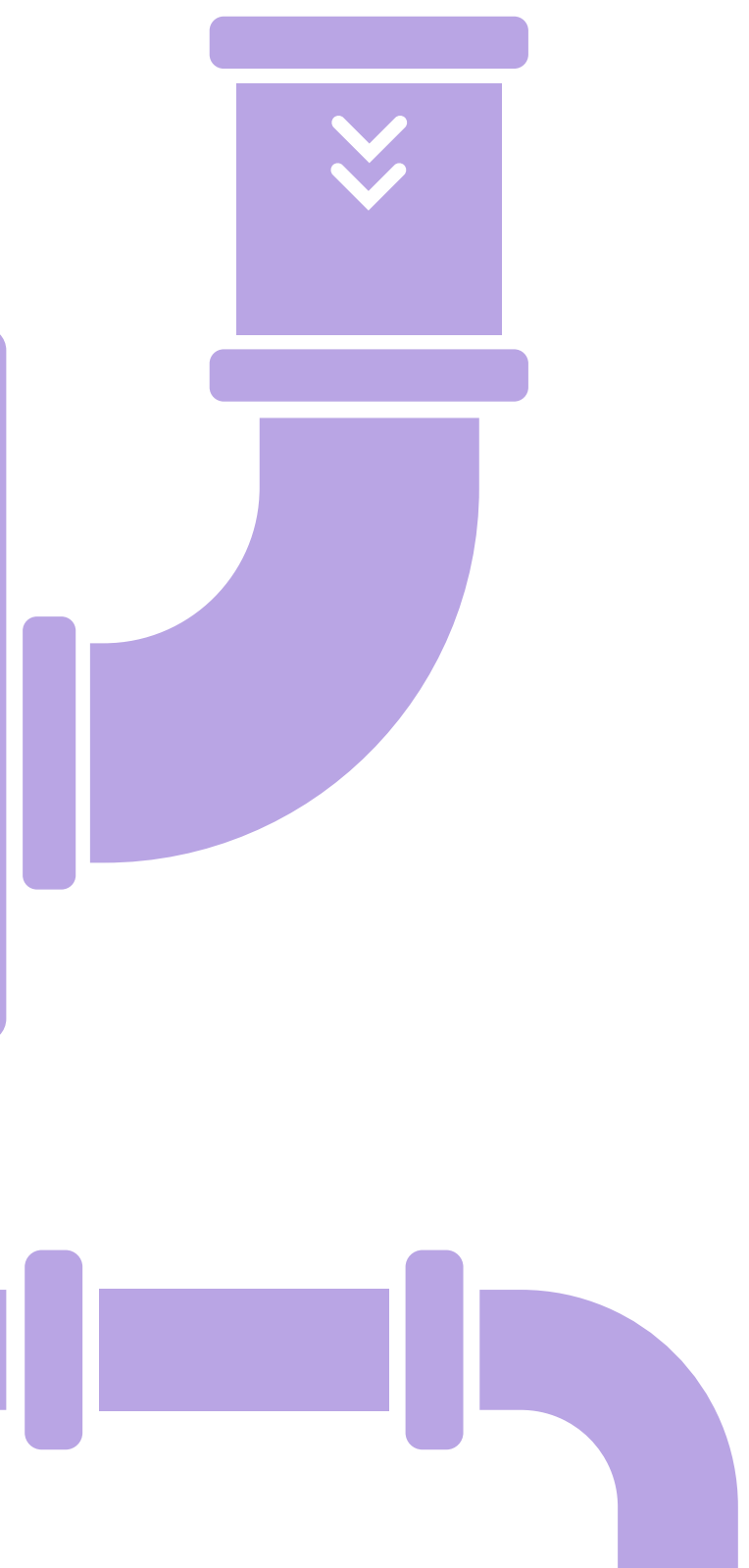
Clinical (DRG) review

Prepay coordination of benefits (COB)

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The filtration process starts with determining payment responsibility. Cotiviti's end-to-end COB Validation solution provides a full COB review at multiple intervention points, starting with a true prepay, pause-and-pay functionality that delivers conversion rates exceeding 99%.

Next, claims undergo three additional layers of prepay review.



Automated prepay editing and coding validation

Payment Policy Management acts as a “final filter” to your automated process to catch and correct claims not compliant with your specific policies. A small percentage of claims also get flagged for Coding Validation review of clinically complex situations that require human review with and without medical records.

Prepay waste and abuse monitoring

With Claim Pattern Review, analysts deploy advanced analytics to look for patterns of potential fraud, waste, or abuse. Individual claims that are part of a potentially larger pattern of waste or abuse can be pended, reviewed, and appropriately declined before payment. Providers or members potentially involved in fraud can be referred for investigation sooner.

Prepay DRG review

Clinical Chart Validation is deployed for scenarios that require a deeper look requiring the member’s medical record. A unique program of DRG, short stay, and readmissions review determines whether the inpatient service was clinically appropriate.





The water is ready to flow from the tap—but we're not done yet!

After claims are paid, a postpay safety net including COB, data mining, and DRG review strains out costly payment errors that can slip through other PI processes.



And the cycle continues

Just as water gets recycled back into the system, results and analysis continuously inform prepay analytics and rules to make them smarter, enabling more inappropriate claims to be caught sooner.



An enterprise payment integrity strategy is essential to effective claims processing, provider relations, and cost savings—enabling health plans to optimize the value they achieve along all five critical dimensions of payment integrity. Learn the key differences between a software-only approach versus a full-scale service solution in Cotiviti’s white paper by Matthew Hawley, EVP of payment integrity.

[Read the white paper](#)

Ready to go more in-depth? Start the conversation with Cotiviti and let us connect you with our payment integrity experts.

[Contact us](#)