



FRAUD, WASTE & ABUSE SUMMIT



28 FEBRUARY - 1 MARCH 2019

SANDTON CONVENTION CENTRE

Role of coding in fighting FWA

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“Partnership towards curbing fraud, waste and abuse”

#fwasummit

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Coding vs. Funding

- Regulation 5 of the Medical Schemes Act 131 of 1998 is focused on accounts that are submitted to medical schemes by suppliers of services.
- 59 (1) f ***....the relevant diagnostic and such other item code numbers that relate to such relevant health service..;***

Diagnostic and Procedure Coding

ICD-10 codes : Inform medical schemes about the conditions their members were treated for so that claims can be settled correctly.

Procedure codes : A procedure/item code is used to notify medical schemes exactly what service was provided to a medical scheme member so that claims can be settled timeously and correctly.

Challenges : There is no national standard for procedure/item codes in South Africa.

- Uniform Patient Fee Schedule (UPFS)- Public sector
- Reference Price List (RPL)
- CPT- Private Hospitals

HMI Recommendations

- There is no coherent, universally agreed coding system in the South African private healthcare system at present:
 - Diagnosis of disease is open to manipulation.
 - PMB conditions are more susceptible to code manipulation than others.

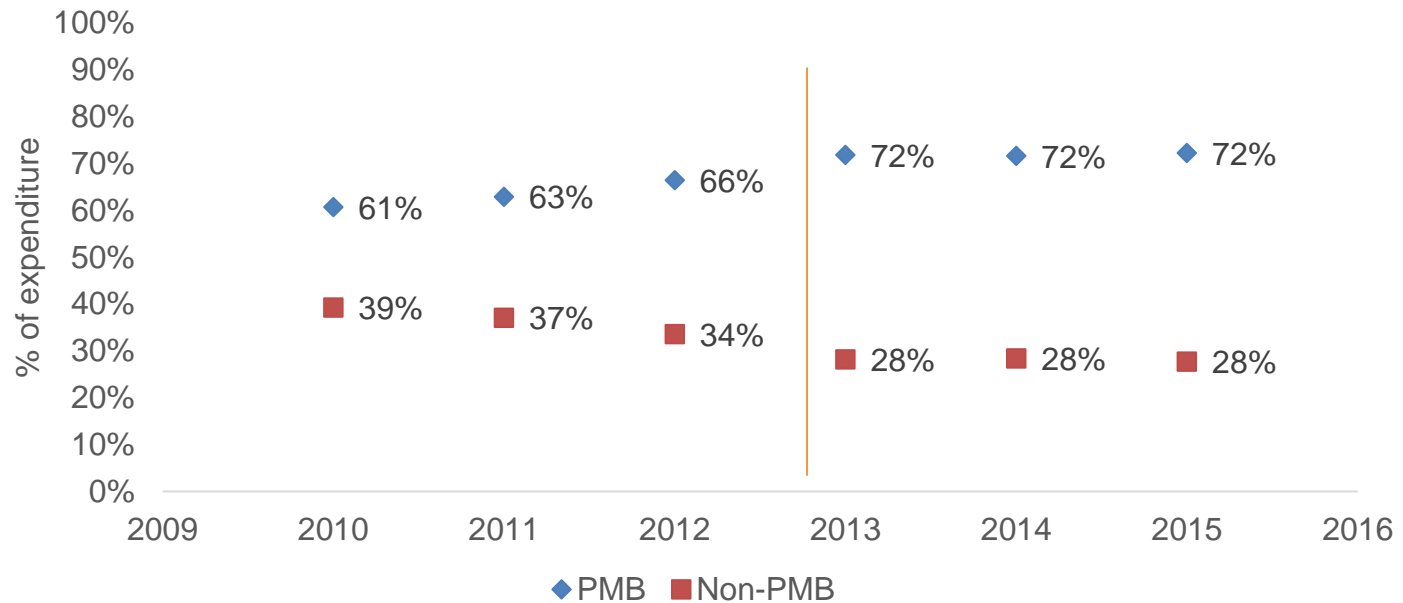
Prescribed Minimum Benefits (1/3)

- Section 29(1) of the Medical Schemes Act (Act 131 of 1998) makes provision for the Minister of Health to prescribe the scope and level of benefits which must be offered to all members of medical schemes by way of regulation. These benefits are commonly known as the “prescribed minimum benefits”, or PMBs.

HMI Recommendations

- A shift in diagnosis patterns from :
 - non-PMB to PMB diagnoses
 - Evident in all medical service providers, but particularly by medical specialists.
- This may reflect practitioners abuse of coding.

PMB vs. Non PMB Trend



In this context, PMBs refer to claims flagged as PMBs as well as potential PMB claims on according to ICD 10 codes. Pharmacy claims are not considered given their limited impact on Prescribed Minimum Benefits.

Source: GEMS Submission to the Competition Commissioner

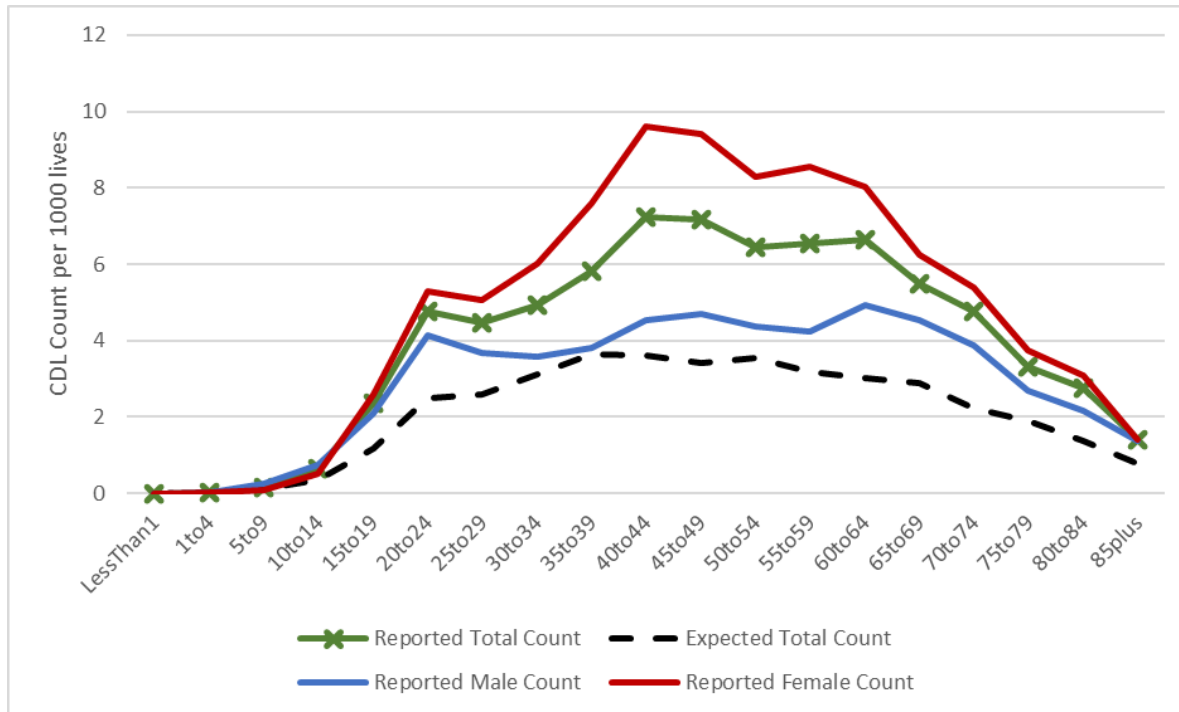
Prescribed Minimum Benefits (2/3)

- Expenditure on Prescribed Minimum Benefits (PMB) was R79.2 billion in 2017 - 49% of all expenditure on risk benefits (R144.4).
- In 2017, 78.4% (R62.0 billion) of expenditure on PMB related healthcare services in a hospital setting.
- Average expenditure on PMBs was R746.27 pabpm

Prescribed Minimum Benefits (3/3)



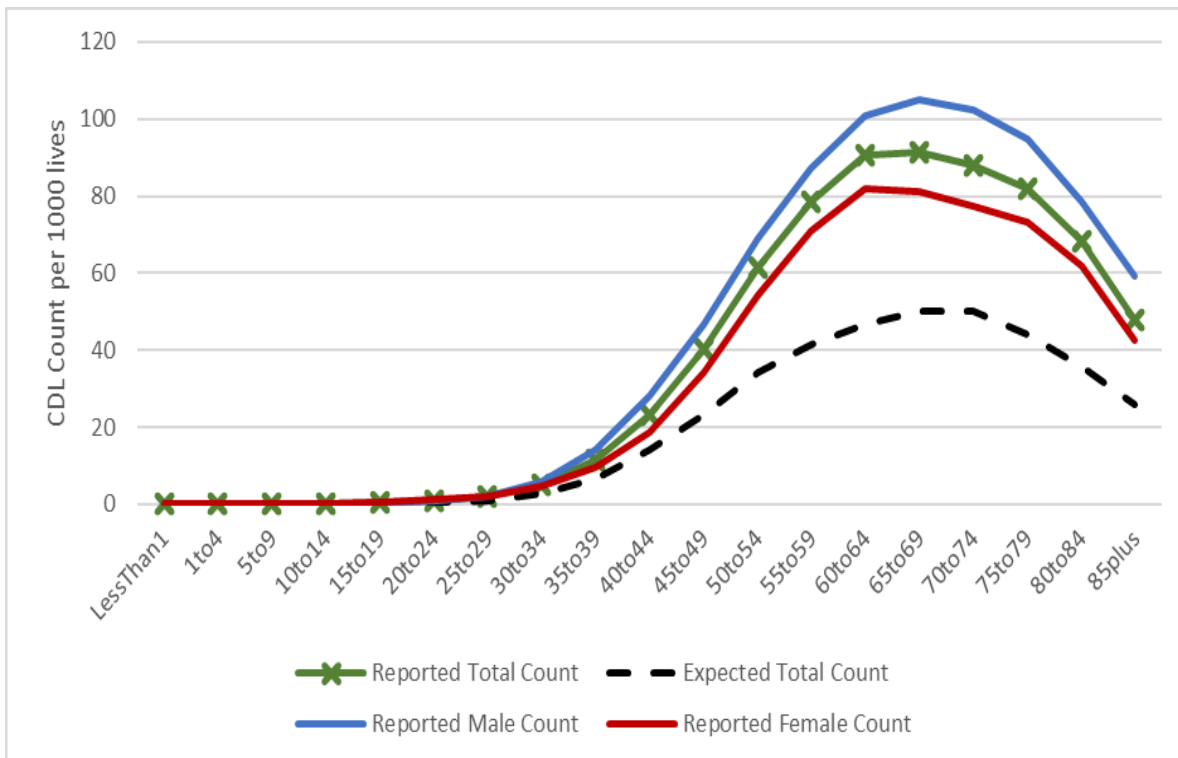
Bipolar Mood Disorder (BMD)



BMD is reported at count rates higher than expected levels

Possible reasons:
Possible up-coding by providers in order to get access to PMB benefits for mental illnesses.

Diabetes Mellitus Type 2 (DM2)



Schemes consistently reported DM2 at rates higher than the expected count rates

Possible reasons:

- Poor application of the E&V criteria
- Possible up-coding by providers to assist patients in obtaining PMB benefits for metabolic syndrome.

Conclusions

- Coding has a significant role in the health information system
- They enable
 - Description of diseases
 - Medical procedures
 - Reasons for visits and severity of illness
 - Patient outcomes
- Analytics and computer- assisted technology
 - Detect errors and fraudulent practices.

Conclusions

- Standardized coding systems to facilitate meaningful sharing of information.
- Collaboration within the medical scheme industry
 - Supply side and Demand
 - All other Stakeholders
- Collaborate to fight against medical scheme fraud at all levels.

Acknowledgement

- CMS Script Issue 6 of 2014
- GEMS submission to the CC. 2016
- CMS. SRM Report. 2017
- CMS ASR. 2018
- HMI Recommendations. 2018