

ARGUS Claim Review:

A powerful system to guard against errors and fraudulent billing

At ARGUS Claim Review, we are continually on the lookout for ways to save our clients money on their medical costs. This is done by using the industry's most all-encompassing claims management system, complete with fraud protection and medical code editing. Our clients have experienced significant savings generated by ARGUS. Following is just one example:

CASE #126:

ARGUS Claim Review received a claim for a four-day inpatient stay from a Veteran's Administration Hospital for \$101,575.28.

As a matter of policy, Veteran's Administration Hospitals do not negotiate with private insurance companies or Third Party Administrators. They also do not participate in any Preferred Provider Organization (PPO) or Health Maintenance Organization (HMO) networks. Therefore, their charges are always considered out of network, exposing the Plan to greater financial risk. The Veteran's Administration Hospitals are supposed to bill "reasonable" charges, although at times ARGUS Claim Review has found that charges from these hospitals can be a bit more than reasonable.

ARGUS received a bill from a Veteran's Administration Hospital for a four-day inpatient stay in the amount of \$101,575.28. When reviewing large claims and beginning the negotiation process, ARGUS needs to build a case by collecting and preparing hard data to substantiate the amount we are offering to pay on behalf of our clients.

Since Veteran's Administration Hospital charges are not eligible for Medicare reimbursement, they do not have a Medicare Provider Identification Number that normally allows ARGUS to compare their charges to what Medicare would pay the same hospital for that bill. However, ARGUS has the capability to look up the Medicare national pay rate for the Diagnosis Related Group (DRG) before it is adjusted for several factors, including the local wage index, number of days inpatient, outlier costs, etc.

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Based on the DRG submitted, the Medicare national pay rate for the inpatient stay was **\$6,280.30**.

As part of the data gathering and preparation process, ARGUS also located two hospitals within a 50-mile radius of the Veteran's Administration Hospital and ran the claim data to see what Medicare would pay those two hospitals if the same bill was submitted to them. The amounts that Medicare would pay those two hospitals if the same claim was submitted were **\$10,020.03** and **\$11,456.71**.

While trying to negotiate a fair compensation for services, ARGUS Claim Review used the higher of the two rates, \$11,456.71, and paid the Veteran's Administration Hospital 200% of that amount: \$22,913.42.

The **total savings** to our client for the inpatient stay came to an astounding **\$78,664.86**.

