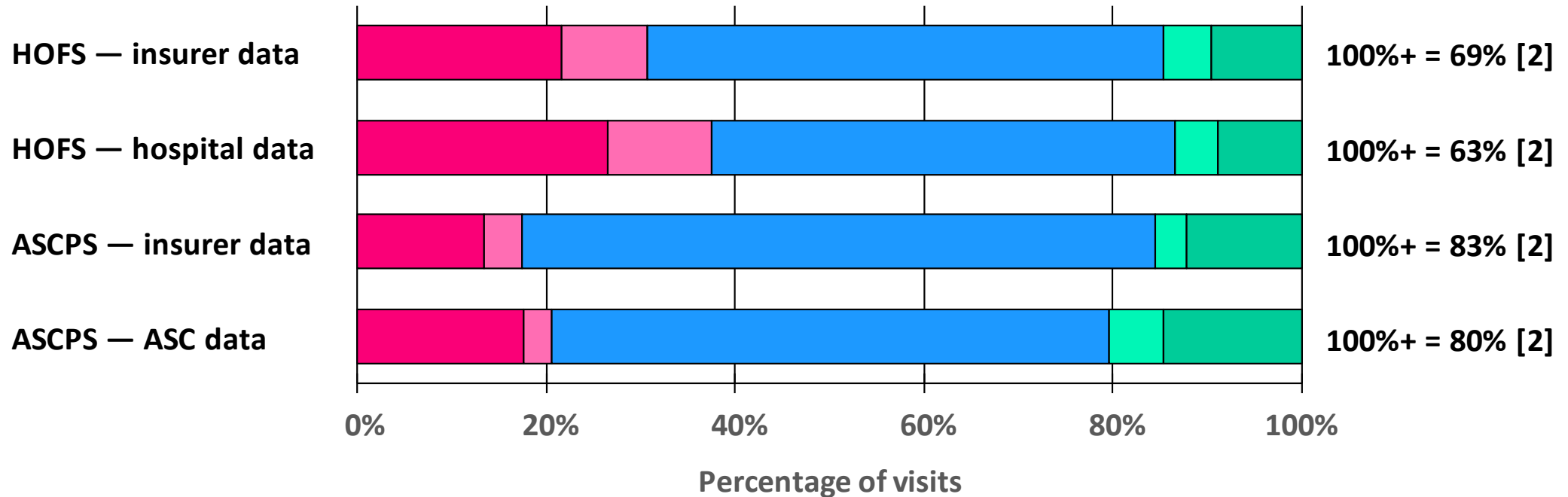


HOFS and ASCPS reports excerpts: payment accuracy and timeliness results

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Actual payment as percentage of correct amount [1]



Actual payment as pctg.
of correct payment:

■ 1%-94% ■ 95%-99% ■ 100% ■ 101%-105% ■ 106%+

1. DLI computed the correct payment amounts from reported data. The sample here is limited to visits without PPO adjustments to payment.
2. Statistically different from 80 percent.
3. Not statistically different from 80 percent.

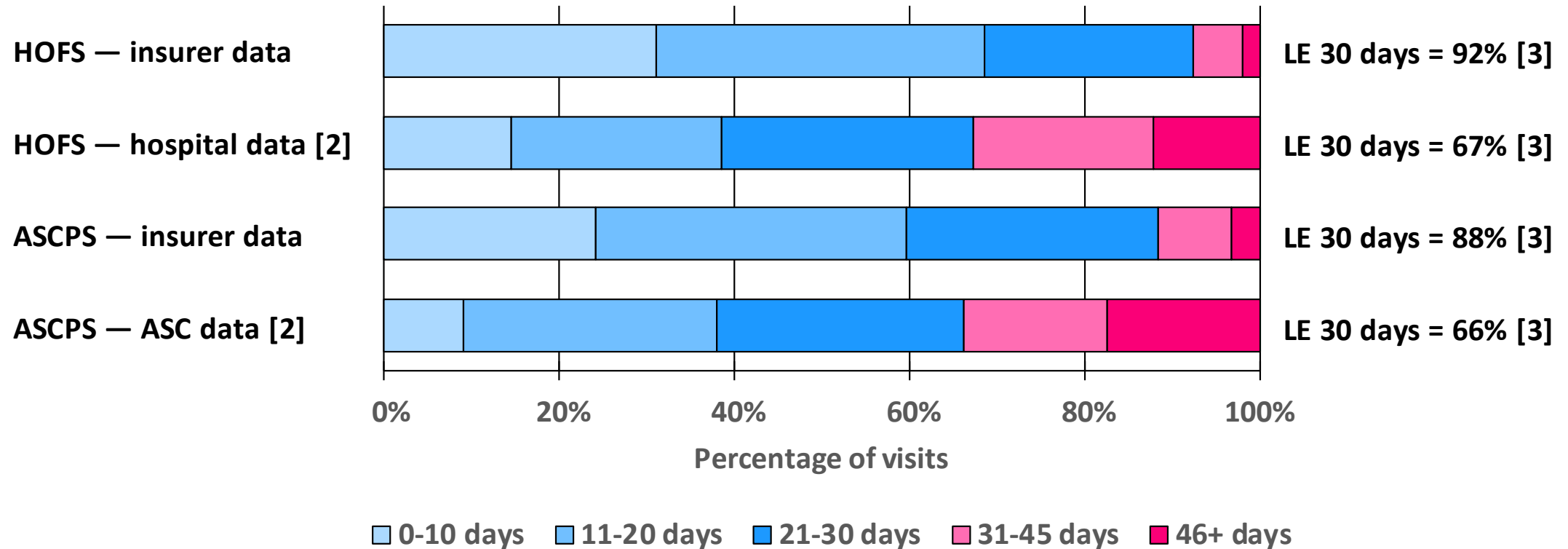
Measurement of payment timeliness, one

- Statutory standard is 30 days from insurer receipt of bill to sending of payment.
- The Department of Labor and Industry (DLI) used this standard to evaluate payment timeliness.
- In insurer data, bill-received and payment-sent dates were used.
- In hospital and ambulatory surgical center (ASC) data, we had the bill-sent and payment-received dates. So, the insurer bill-received and payment-sent dates were *imputed*.
 - The insurer bill-received date was imputed as two days after the date sent by the provider if sent electronically, three days if sent by U.S. mail.
 - The insurer payment-sent date was imputed as three days before the date received by the provider.
 - Computations were performed on these imputed dates.

Measurement of payment timeliness, two

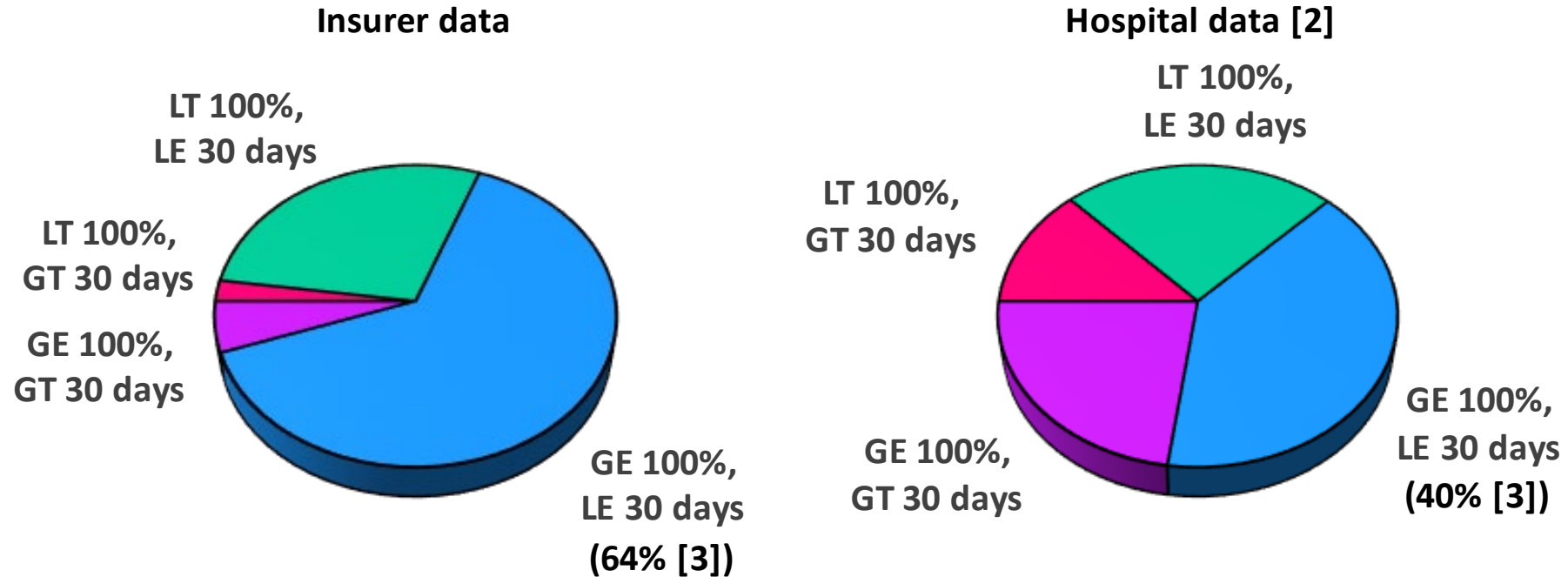
- The wording of the survey questions took account of the use of third-party administrators (TPAs), bill-reviewers and clearinghouses. For example:
 - “When did the insurer *or its representative* receive the bill?”
 - “When did the hospital *or its representative* send the bill?”
- If the insurer requested additional information to support the bill, the date that information was received was used as the bill-receipt date.
- With the hospital or ASC data (which only indicated the date the additional information was sent), the date this information was received by the insurer was imputed as described above.

Time from insurer bill receipt to sending of payment [1]



1. The sample here includes visits with and without PPO adjustments to payment.
2. With the hospital and ASC data, the dates the insurer received the bill and sent payment were imputed as previously described.
3. Statistically different from 80 percent.

HOFS combined payment accuracy and timeliness [1]

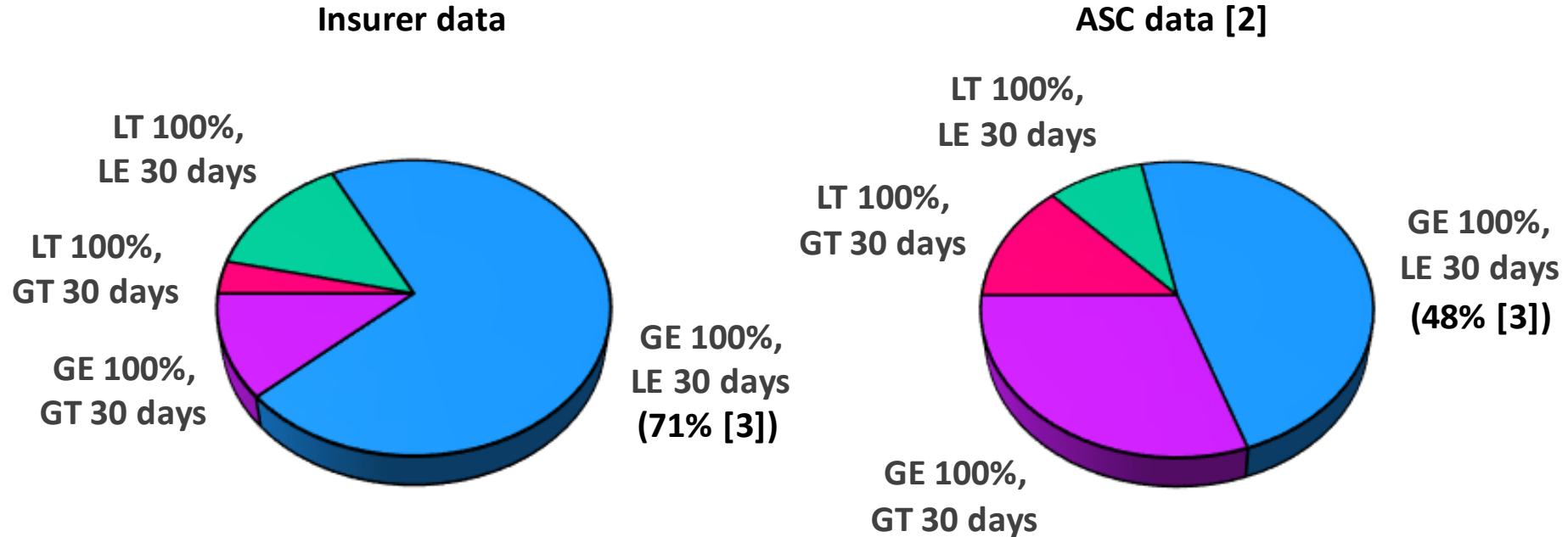


"LT 100%" means the payment is less than 100% of the correct amount.

"GE 100%" means the payment is greater than or equal to 100% of the correct amount.

1. DLI computed the correct payment amounts from reported data. The sample here is limited to visits without PPO adjustment to payment.
2. With the hospital data, the dates the insurer received the bill and sent payment were imputed as previously described.
3. Statistically different from 80 percent.

ASCPS combined payment accuracy and timeliness [1]



"LT 100%" means the payment is less than 100% of the correct amount.

"GE 100%" means the payment is greater than or equal to 100% of the correct amount.

1. DLI computed the correct payment amounts from reported data. The sample here is limited to visits without PPO adjustment to payment.
2. With the ASC data, the dates the insurer received the bill and sent payment were imputed as previously described.
3. Statistically different from 80 percent.

DLI analysis plan for payment timeliness results

- Match cases that appear in the insurer and provider data.
- In the matched cases, compare the dates reported by insurers and providers.
- Allow for time lags, for example, between the provider sending a bill and the insurer receiving the bill.
- Identify cases where there is a substantial discrepancy between dates reported by insurers and providers.
- Communicate with insurers and providers in those cases to understand the reasons for the date discrepancies.

Thank you.

Questions?

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 **DEPARTMENT OF
LABOR AND INDUSTRY**