



> Case Study: ProMed Health Care Administrators Culver City, Calif.

Background

California-based ProMed Health Care Administrators (ProMedHCA) provides comprehensive managed care services to independent practice associations and medical groups. The organization contracts with physician networks, hospitals, and HMOs and is owned and managed by physicians. ProMed HCA found itself in the position of defending its claim denials, as physicians increasingly demanded clear, objective justification for such decisions.

Situation

When physicians disagreed with a claim denial, ProMed HCA executives had to document the source of their decision and try to convince doctors of the company's position. To help answer such challenges, the ProMed HCA in 2005 sought to enhance its claims administration system. The firm searched for software options and discovered that a claims code auditing solution would satisfy its needs.

Solution

ProMed HCA opted for Virtual Examiner from PCG Software. The solution provides a single source of information for reimbursement rates, coding rules, fraud monitoring, abusive billing pattern profiling, and insurance regulations. It helps ProMed HCA communicate more effectively with physicians by maintaining clean data and proper numbers, which are critical in responding quickly to claim denial challenges.

Even though many of its provider contracts are on a subcapitated, per-member/per-month basis, ProMed HCA finds the software helpful in maintaining appropriate payment levels with physicians. Virtual Examiner helps ProMed HCA show physicians what they're getting paid as a percentage of the Medicare rate, which is considered a benchmark in physician compensation.

ProMed HCA found the ability to share detailed and precise compensation data with doctors particularly useful during physician contract negotiations. The organization also uses Virtual Examiner to evaluate fee-for-service claims, which have in the past resulted in a lot of overpayments.

"We definitely know that we are saving money," says Baram Bahreman, chief financial officer of ProMed HCA. "Virtual Examiner improves the claims processing substantially. It's not just the money you save out the door that matters. It's the indirect, positive impact the software gives you to run your operation and educate providers on correct billing procedures."