

The Definitive Guide To

# **PROVIDER DATA ACCURACY**

Prepared by



Orderly Health | 2019

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# THE DEFINITIVE GUIDE TO PROVIDER DATA ACCURACY

## HOW INACCURATE PROVIDER DATA IMPACTS YOUR ORGANIZATION AND WHAT YOU CAN DO TO IMPROVE IT

### THE PROVIDER DATA PROBLEM: WIDESPREAD INACCURACY AND A HARSH REGULATORY LANDSCAPE

Nearly half of all provider data is inaccurate.

That's not a typo. In a recent study, the Centers for Medicare and Medicaid Services (CMS) found an average level of 44.97% inaccuracy for provider data across Medicare Advantage Organizations<sup>1</sup>.

This level of inaccuracy has been corroborated by numerous other studies, across geographies and specialties<sup>2</sup>.

Independently, we at [Orderly Health](#) have seen similar numbers in our own engagements with payers, consistently seeing accuracy levels in the 40-60% range.

Furthermore, unless properly

maintained, data accuracy degrades by 25% or more annually ("Provider Data Management Solutions" LexisNexis 2014).

Widespread data inaccuracies affect everything including claims management, referrals, credentialing, patient-facing provider directories, surprise medical bills, and more.

Surprise billing on account of inaccurate network status data affects 1 in 7 patients<sup>3</sup>. These surprise bills severely hamper the member experience and can lead to members churning in favor of competitor plans. Regulatory

## DATA FIELDS

### Individual provider level

- Name, birthdate, and gender;
- Medical education, specialties and subspecialties
- Languages spoken
- Network status (in or out of network for a particular plan)
- Accepting new patients status
- NPI, medical license, and DEA numbers
- Email, phone, and address

### Facility level (i.e., clinics and hospitals where individual providers practice)

- Facility name
- Taxpayer ID Number
- Network status
- Hours of operation
- Services performed
- Address
- Associated Providers



action on surprise billing and other consequences of inaccurate data costs insurance companies tens of millions annually, in the form of mandated reimbursements to affected patients and missed revenue opportunities due to bans on new enrollment<sup>4</sup>.

In 2015, two major California insurers — Anthem Blue Cross, and Blue Shield of California — were fined \$650,000 after statewide surveys found approximately 25% of their provider data records were inaccurate<sup>5</sup>. These fines pale in comparison to the \$38 million Blue Cross of California had to pay to members in refunds that year as a result of inaccurate data. This means for every percent inaccuracy, Blue Cross paid **\$1,520,000**.

It's important to note Blue Shield's data had **half the number of inaccuracies** that the average health plan has, according to national figures (~50%). This means payers with an average level of inaccuracy could be forced to **pay double** this amount in **refunds**.

In addition to mandated reimbursements, health plans can face federal fines of \$25,000 per affected beneficiary for inaccurate provider directory data<sup>6</sup>.

## **SOLVING THE PROBLEM: CURRENT INDUSTRY SOLUTIONS**

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### **How has the market addressed the issue to date?**

The current industry standard uses direct provider attestation to ensure data is accurate. Federal and state regulations often require payers contact their providers at least once per quarter.

This is done primarily using call centers with supplemental outreach attempts made through email, fax, postage, or provider portals.

### **How much are health plans spending to solve this problem?**

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Call centers cost, on average, \$1 per minute. According to a report by America's Health Insurance Plans (AHIP), it takes 4.22 minutes to complete data verification by phone, meaning provider outreach via call center costs roughly \$4 per provider per location<sup>7</sup>.

According to one study in the state of Georgia, providers work at an average of 3.3 locations<sup>8</sup>. Other studies place the average number locations per provider between 2 and 4, depending on geography. This aligns with independent research conducted by Orderly in which we interviewed providers and their front office staff nationwide.

Insurance companies are estimated to spend anywhere from **\$2 to \$4 billion per year** trying to improve the accuracy of their provider data, not including the aforementioned costs associated with regulatory actions<sup>9</sup>.

**In sum, to calculate how much your organization spends on provider data maintenance,** multiply the number of providers in your system by 50. That’s, roughly, how much you’re spending on provider data maintenance.

**What has all this spending achieved for health plans?**

In March of 2017, America’s Health Insurance Plans (AHIP) brought together 13 of its national member plans – Anthem, AvMed, Blue Shield of CA, CareMore, Cigna, Florida Blue, HealthNet, Humana, L.A. Care Health Plan, Molina Healthcare of CA, SCAN Health Plan, Wellcare, Western Health Advantage – to pilot two vendor solutions: Availity and BetterDoctor.

These vendors leverage direct outreach via phone, email, fax, postage, and e-notifications from provider portals. The results of these methods were... underwhelming.

In the majority of cases, **fewer than 20% of providers completed the vendors’**

**provider verification processes,** despite multiple, costly outreach attempts<sup>10</sup>.

Further, a clear disconnect exists between payers and providers regarding these data validation requests. According to the report, clinicians and their staff “expressed a general lack of awareness” and “did not understand the purpose” of the data verification processes, leading them to feel “overwhelmed with responsibility.”

It’s clear inaccurate provider can lead to strained relationships between health plans and providers as well as cause burnout. All of this for a net result of 50% accuracy -- no better than a coin flip.

Inaccurate provider data leads to missed revenue opportunities for providers and increases the challenge for health plans to curate a high-quality provider network and ensure [network adequacy](#). In addition to harming relationships with providers, inaccurate provider data can also negatively impact health plan relationships with members, resulting in poor member experience and high rates of surprise billing. Lastly, inaccurate provider data has a direct impact on a health plan’s bottom line in the form of federally mandated reimbursements and exorbitant fines.

**HOW DID WE GET THIS NUMBER?**

So let’s do the math: (\$4.22 per provider) \* (4 quarterly updates) \* (3.3 average locations per provider) = \$55.70 per provider annually.

We rounded that down more than 10% to \$50 for ease of calculation, and to provide a more conservative estimate. These estimates align with other industry reports on spending for provider directory maintenance, including one by LexisNexis, estimating payers spend \$6 to \$25 million (depending on the size of their networks) on maintaining the accuracy of their data.

No. of Providers	Est. Annual Spending
20,000	\$1M
50,000	\$2.5M
100,000	\$5M
200,000	\$10M
500,000	\$25M



## THE CASE FOR MACHINE LEARNING

All of this makes one thing extraordinarily clear to us: there needs to be another way. That's why [Orderly takes a markedly different approach](#).

OrderlyData is a custom machine learning engine that leverages billions of public and proprietary data points to ingest, clean, and update your provider directory data automatically, all with minimal involvement by providers themselves. OrderlyData uses code, not call centers, to deliver truly unparalleled accuracy to our health plan clients.

At Orderly, we've communicated extensively with regulatory bodies to ensure [our solution is fully compliant with CMS regulations](#).

Customers of OrderlyData do not have to worry about compliance and can cut current spending by 75% or more, all while achieving upwards of 90% accuracy. [Inquire more about our conversations](#) with CMS.

By relying primarily on machine learning instead of call centers, email, and fax, OrderlyData is able to [drastically reduce cost, increase efficiency, and improve overall data accuracy](#).

OrderlyData is robust and flexible enough to validate myriad data fields and integrate seamlessly into existing workflows and solutions. After a preliminary audit, we'll also provide a [guaranteed percentage accuracy lift](#) your organization can achieve using OrderlyData.

## AN EYE TOWARDS THE FUTURE — HOW THE PROVIDER DATA PROBLEM MAY EVOLVE, AND HOW YOUR ORGANIZATION CAN PREPARE

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As consumers, providers, technologists, and politicians alike become more aware of the challenges inaccurate data present, new legislation is underway at federal and state levels. Over the past decade, states have passed an increasing number of laws surrounding provider directory accuracy.

For example, California -- home to the strictest regulation on provider directories in the country -- California SB-137 requires that, in addition to quarterly updates, health plans must update their online provider directories on a weekly basis *should they be informed of any changes amongst their providers*<sup>11</sup>.

**Federal fines are also increasing**, as is the frequency of federal blocks placed on new enrollment (i.e., ceasing new enrollments until data accuracy rises above a specified threshold) and mandated reimbursements to affected patients for plans with insufficient provider data accuracy.

Further, CMS is shifting away from its soft policies of non-compliance warnings. Both the CMS 2019 and 2020 call letters emphasize civil money penalties and other enforcement actions for subpar accuracy<sup>12,13</sup>. And in their 2019 proposed rule, they **increase requirements for payers, mandating they use standardized APIs for their provider directory data**<sup>14</sup>.

**"Our focus is ultimately on accuracy, rather than the interval of outreach. In other words, we have historically taken compliance actions based on inaccuracy, but we have not taken compliance action based on not making quarterly calls to providers."**

- CMS

The current trajectory of the regulatory landscape makes it clear that it is absolutely critical to be prepared and have the proper protocols and tools in place to ensure provider directory data is accurate.

### How accurate should your data be?

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We recommend health plans focus on improving accuracy to 85-90% or above, rather than focusing solely on the frequency of outreach. Accuracy, after all, is ultimately what matters to regulatory bodies -- not necessarily frequency of outreach. As one CMS official told us, "Our focus is ultimately on accuracy, rather than the interval of outreach. In other words, we have historically taken compliance actions based on inaccuracy, but we have not taken compliance action based on not making quarterly calls to providers."

With a national average of ~50% accuracy, getting to 85% or more may seem daunting. In fact, an accuracy of 85% or above would put you amongst the top 10% of health plans in terms of provider data accuracy (according to data from the 2018 CMS survey)<sup>15</sup>.

OrderlyData can help you get there.

Every so often, we'll get a question from a prospective client that goes something like the following

**“OKAY, WE SEE THE BENEFIT OF RELYING ON OTHER METHODS BEYOND DIRECT PROVIDER OUTREACH TO MANAGE OUR PROVIDER DATA. BUT WHAT ABOUT VENDORS X, Y, AND Z WHO OFFER SIMILAR ‘HIGH-TECH’ SOLUTIONS?”**

To answer that question, we like to highlight six key ways Orderly is different, even compared to seemingly “high-tech” solutions on the market

### **Cutting-Edge Data Science**

When we say we use artificial intelligence / machine learning, it's not just marketing buzzwords. We use predictive machine learning algorithms, with state-of-the-art non-parametric learners, exhaustive and intelligent model tuning using cloud computing, combined with third-party data for unparalleled accuracy.

### **Unique Access to Proprietary Data Sources**

In addition to leveraging dozens of public data sources, Orderly has access to a number of proprietary data sources and exclusive partnerships with data vendors procured through our teams' collective decades of experience in the healthcare space. Together, these data sources account for billions of data points, which we use to help improve the accuracy of your data.

### **Dramatic Cost Savings**

From our own research and hundreds of conversations with payers, we've gotten a pretty good sense of the savings we can deliver. Even compared to these other “high-tech” solutions, Orderly can still save health plans an additional 25% (up to 75% savings compared to direct outreach methods).

### **Flexibility**

OrderlyData's systems can receive and return provider data in the format of your choosing -- flat file, API, or a method specified by you that seamlessly integrates with your systems. OrderlyData is also able to assess and repair any number of different data fields, from provider demographic information and network status to quality metrics that help match patients to the best care possible.

### **Ease of Set-Up**

To get started, customers simply send Orderly a copy of their provider directory data. That's it, really. After running your data through our models, we return a repaired, accurate dataset to you and can continue to update on a monthly basis to ensure it remains accurate.

### **Unparalleled Accuracy**

Cutting edge machine learning combined with unique access to billions of high quality data points enables us to deliver truly unparalleled accuracy. Not only can we consistently deliver upwards of 90% accuracy for our clients, we're also the only vendor in the space to guarantee our results. And that's not just marketing fluff. We write our accuracy targets into our contracts with customers. If we don't deliver, you don't pay.

## ABOUT ORDERLY

Orderly Health is a health tech startup based in Denver, Colorado. We create machine learning (ML) solutions to improve the accuracy of healthcare data.

In 2018, we launched OrderlyData, an ML product that identifies and repairs inaccuracies in healthcare provider directories, ensuring all patients have access to up-to-date, accurate information and reducing the cost and time burden on payers, plans, and administrators.

We work with small-midsize and national payers, health plan administrators, and health systems.

Orderly is guided by the principle that through innovation we can make healthcare more accurate, accessible, and affordable for everyone.

## CONTACT US

For more information, please visit our website at [www.orderlyhealth.com](http://www.orderlyhealth.com) or email Kenneth Colón, Director of Marketing & Business Development, at [ken@orderlyhealth.com](mailto:ken@orderlyhealth.com).



## INTERESTED IN IMPROVING THE ACCURACY OF YOUR PROVIDER DATA?

Let us conduct a one-time, no-commitment audit and repair of your data.

Your organization is likely already doing quarterly audits as part of its overall compliance strategy, and likely paying **upwards of \$12/provider** (\$4/provider \* 3.3 locations = \$13.2/provider). Orderly can audit and repair your provider data for less than a quarter of the cost. In less than 30 days, we'll return a personalized audit report with our baseline assessment of your accuracy, along with a repaired, updated copy of your data. This will show you how much work you need to do in order to avoid regulatory action, and give you accurate provider data that you can start using immediately

We'll also throw in a free, personalized lift estimate based off the data you provided. This lift estimate provides you a precise idea of the improvement Orderly can achieve for your organization. We'll also include a free cost-savings estimate, showing how much you can save by switching to Orderly for your ongoing provider data maintenance.

**Schedule a free consultation** to talk about our audit process. We'll answer any questions you may have on all things provider data--from the scope of the inaccurate data problem, to state/federal regulations, to OrderlyData and other industry solutions you may have come across.

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