



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
www.mass.gov/masshealth



MassHealth
All Provider Bulletin 234
May 2013

TO: All Providers Participating in MassHealth
FROM: Julian J. Harris, M.D., Medicaid Director
RE: **Predictive Modeling Initiative**

Background

MassHealth is committed to ensuring the integrity and accuracy of claims payments issued to providers for covered medical services and supplies provided to eligible MassHealth members.

As part of this commitment, MassHealth actively conducts a post-payment review of claims to recover overpayments made to providers. It also conducts a number of pre-payment activities to ensure, among other things, that services and supplies are medically necessary and appropriate. Additionally, MassHealth plans to launch the Predictive Modeling Initiative. This will be a new pre-payment screening process that will allow MassHealth to take a proactive detection and prevention approach to claims review, to prevent the issuing of potential improper payments.

The new pre-payment screening process will begin on May 27, 2013. It uses a software product called the Predictive Modeling System that detects potential improper payments through predictive modeling, comprehensive data analytics, and other statistical methods.

Predictive Modeling

The Predictive Modeling System is fully integrated into the Medicaid Management Information System (MMIS) and will employ sophisticated algorithms and models to identify improper billing of claims and detect emerging trends and behavioral patterns of improper billing activity. This system will enable MassHealth to review claims for regulatory non-compliance on a pre-payment basis.

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Process

There will be no change in how providers submit claims or how claims are processed. All claims will be submitted and processed through MMIS following current MassHealth billing guidelines.

Before payment is issued, certain claims may be suspended for review in the Predictive Modeling System. These claims will be flagged with an edit code indicating that the claim was suspended. For example, the prefix PM, which stands for Predictive Modeling, may be used.

The claims will then be processed for suspected improper submission and potential fraud patterns. As a result of this review, the claims may be denied and the provider will see an edit code on their remittance advice.

Edit codes associated with the Predictive Modeling System will be identified with the code, PM.

Example

9966 – PM: Deny claim line – Service not documented in record or supported by documentation

Impact of the Process

Please note that the Predictive Modeling System and the new pre-payment screening process have been designed to have minimal impact on providers and this additional step during claims review will not delay final adjudication and payment of most claims.

MassHealth is aware that there will be a period of adjustment with the implementation of this new process. Improvements to our claims processing activities will enable MassHealth to more quickly identify improper billings.

Questions

If you have any questions about the information in this bulletin, please contact MassHealth Customer Service at 1-800-841-2900, e-mail your inquiry to providersupport@mahealth.net, or fax your inquiry to 617-988-8974.
