

PI – Cost Avoidance Study Proposals

Purpose:

1. Identification of Medicaid payments that are not supported by current established policy or that are inconsistent with established policy.
2. Recommendation for opportunities to save health care dollars through program policy additions and/or updates.
3. Prevention of unauthorized or unintended Medicaid payments is essential in conserving resources for other, needed health care programs. (Refer also to Desk Guide for Cost Avoidance)

Identification of Roles:

RACI Definitions	
RACI - RACI charts are a type of responsibility assignment matrices in project management. These simple spreadsheets or tables highlight the different states of responsibility a stakeholder has over a particular task or deliverable and denotes it with the letters R, A, C, or I.	
(R)	Responsible
(A)	Accountable
(C)	Consulted
(I)	Informed

Iowa Medicaid PI Account Manager – Provides final approval to move forward with a proposed Cost Avoidance Study analysis. **(R)**

Iowa Medicaid PI A&I Manager – Provides initial approval to be presented to Iowa Medicaid PI Account Manager if cost avoidance opportunity is identified by investigations team. **(A)**

Iowa Medicaid PI Analytics Manager – Provides initial approval to be presented to Iowa Medicaid PI Account Manager if cost avoidance opportunity is identified by analytics team. **(A)**

Iowa Medicaid PI Investigator – Identifies potential Cost Avoidance studies along with all associated Fee for Service and Managed Care policies in order to present a detailed description of the proposal for policy subject matter experts during the ACEPT meeting. **(C)**

Iowa Medicaid PI Data Analyst – Works with Investigator to analyze historical payment data and identify potential saving if desired changes are made in policy and/or payment methodologies. **(C)**

Iowa Medicaid PI Policy Subject Matter Experts – Provides review of Cost Avoidance studies and determines whether studies would provide value if recommended policy and/or payment methodologies are implemented. **(C)**

Iowa Medicaid PI Financial Analyst – Applies cost savings recognition as approved during the ACEPT meeting. **(I)**

Iowa Medicaid Claims and Benefits Committee – Determines policy and/or payment methodology implementation plan and timeframe. **(I)**

Performance Standards: Report outs (when necessary) on cost avoidances happening monthly (ACEPT Meeting) & quarterly (Claims and Benefits Meeting).

Path of Business Procedure:

- 1). Potential cost avoidance issues are discussed within the Audits & Investigations unit to gain internal consensus on policy interpretation.

- 2). Audits & Investigations maintains a designated location to save all documentation related to those issues that warrant a Cost Avoidance Study be completed. The designated location can be found here \\dhsime\PI\SURS\Case Files\REVIEWS IN PROCESS\Cost Avoidance Studies.

- 3). Audits & Investigations obtains data from the PI Data Team that includes calculation and trending the future financial impact to IA Medicaid, including FFS and MCP claims, broken out monthly.

- 4). Cost Avoidance proposals determined to support recognizable cost savings will be proposed to Policy Subject Matter Experts prior to the ACEPT meeting, where approval will be given, or further discussion will occur.

- 5). During the ACEPT meeting, a Voting poll will be launched via Microsoft Teams for attendees to approve or reject moving the Cost Avoidance recommendations forward for presentation at the Claims & Benefits meeting. The results of the Voting poll shall be saved to the electronic folder to document approval to move the Cost Avoidance Study to the Claims and Benefits meeting. The Manager of the team who authored the study (Analytics or Audits & Investigations Manager) will submit the Cost Avoidance Study to be added to the Claims & Benefits meeting agenda. After the Cost Avoidance is presented to Claims & Benefits, the Manager (Analytics or

Audits & Investigations Manager) shall notify the Iowa Medicaid PI Account Manager and the Iowa Medicaid PI Financial Analyst and cost savings may be recognized.

6). Cost savings recognition and policy/payment implementation plan for approved proposals will be applied by the Iowa Medicaid PI Financial Analyst within 30 days of presentation in the Claims and Benefits meeting.

Forms/Reports:

Cost Avoidance Study Template
Voting poll results

Interfaces:

Iowa Medicaid PI
Iowa Medicaid Policy Subject Matter Experts
Claims and Benefits Committee

Attachments:

Program Integrity Cost Avoidance Study Template
Cost Avoidance Process Flowchart
Cost Avoidance Desk Guide



Program Integrity
Cost Avoidance Study



Cost Avoidance
Process Flowchart - R



Cost Avoidance Desk
Guide_Revised July 20