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Correspondence Memorandum

Date: April 24, 2018

To: Group Insurance Board

From: Arlene Larson, Manager Federal Health Programs & Policy
 Office of Strategic Health Policy

Subject: Wisconsin Physicians Service Audit Recoveries Update

This memo is for informational purposes only. No Board action is required.

The purpose of this memo is to update the Group Insurance Board (Board) on the status of claim recoveries following the audit by Claims Technologies Incorporated (CTI) of Wisconsin Physicians Service Insurance Corporation (WPS) administration of self-insured plans for January 1, 2016 through June 30, 2017.

Background:

The Board was provided the findings of the third-party audit at the February 21, 2018 meeting. CTI reviewed more than \$57,590,000 in claims and found that more than \$57,000 had a potential for recovery. At that meeting, the Board requested an update in May on recovery efforts. For claims where WPS agreed with the finding, they have been reprocessing claims. As noted in the February memo to the Board, WPS did not agree with all findings. WPS agreed with the finding for a total amount of potential savings of \$13,086.03. To date, WPS has recovered \$4,062.27 and \$9,023.76 is outstanding. Recoveries may be difficult as some members may no longer be enrolled in our program and because of the amount of time that has passed. Provider contracts only permit recoveries for a certain period of time following the service.

Due to the small dollar amounts at risk and the end of the WPS run-out contract as of June 30, 2018, ETF staff determined that follow up was not cost effective for those disputed claims. The result of their recoveries was provided to the Department of Employee Trust Funds (ETF) staff on April 20, 2018 and is as follows.

1. Excluded services
 - a) Technical component (TC) modifier processed incorrectly: WPS is pursuing \$2,490.84 for 34 claims.

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy Electronically Signed 5/1/18

Board	Mtg Date	Item #
GIB	5.16.18	9C

WPS Audit Recoveries Update

April 24, 2018

Page 2

- b) Refractions: WPS found that all 44 claims were worth less than \$50 each. WPS' longstanding policy is that they do not recoup claims below \$50 due to the administrative cost. ETF agreed with this threshold.
- c) Orthotics: payment from one claim was recovered for \$270.00. Four claims are in the recovery process worth \$792.13. One claim was a foreign claim worth \$293.50 that is outstanding.

2. Dental implants: payment from one claim was recovered for \$2,227.22. The other claim was a foreign claim for \$3,457.78 that is outstanding.

4. Duplicate claims: WPS agreed that \$3,554.56 were overpaid. To date, \$1,565.05 has been recovered and \$1,989.51 is outstanding.

Staff will be at the Board meeting to answer any questions.