

# Case Study

## Enhancing Integrity: Implementing Compliance Risk Analyzer at an Academic Institution

A prominent academic institution with 1,450 physicians was facing significant financial strain due to its compliance processes. The institution was spending nearly a third of its total compliance budget on conducting retrospective baseline probe audits (RBPAs). As part of their compliance plan, they performed 30 chart audits on 100% of their physicians every two years.

### Situation

The process of conducting the RBPAs had become increasingly cost-prohibitive. Completing these audits required four full-time auditing and coding professionals each year. Despite the substantial time and effort, the 10 chart audits represented only a tiny fraction of the total procedures performed by the physicians. As a result, the audits failed to cover the full range of reported procedures, leading to external audits on codes not reviewed by internal staff.

The RBPA was meant to create an audit plan to identify coding anomalies and ensure additional reviews. Still, after completing the RBPAs, the institution had little budget remaining for post-audit reviews. The limited scope of the audits, combined with high costs, placed a strain on their compliance resources and diminished their compliance goals and objectives.

### Services Provided

➤ Compliance Risk Analyzer Implementation

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### Solution

To address these challenges, the institution adopted the Compliance Risk Analyzer (CRA) tool, aiming to reduce costs and improve efficiency. CRA provided a statistical analysis of audit risk for 100% of claims submitted by physicians, replacing the need for RBPA audits. Key goals included:

- Identifying physicians with billing anomalies, like the methods used by CMS auditors
- Reducing or eliminating the high costs associated with RBPA, which offered limited returns
- Developing an audit plan that prioritizes risk based on coding categories for each provider
- Reallocating resources to value-based audits rather than costly discovery audits
- Preparing the institution for potential external audits from CMS or private payers

The CRA implementation required minimal effort from the institution's IT department, as the tool had a small data footprint by accessing existing 837 files as a direct endpoint.

### Success

With the implementation of CRA, the institution improved audit value by focusing only on CRA-triggered findings, reducing false positives, and adopting a proactive audit strategy. This shift led to significant financial savings, with RBPA audit costs dropping by \$170,000 and post-audit review costs by \$140,000. Additionally, CRA helped reduce compliance risk by identifying codes and modifiers likely to trigger external audits, providing a more efficient and cost-effective approach to future compliance management.

### Client Results

# 92%

Client Satisfaction  
Rating

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