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CASE STUDY R-2022-1-14

OUT OF NETWORK SPECIALTY LAB

Our Client is a specialty out-of-network laboratory that tests blood, urine, & PCR nasal samples for COVID-19. Approximate number of total tests under review were 118,362 from March of 2020 until December 2022. We were retained to do a COVID-19 HRSA Audit, account for all claims regardless of network status, and recover funds from underpaid & unpaid claims.

Approximately 17,834 claims were identified as having never been accepted for procession by the insurance carrier due to data input issues, wrong identifiers on the HCFA-1500 or incomplete patient data. Stratagem was able to successfully process 8,978 claims for a total amount billed of \$5,018,000. Of that total amount claimed almost half were Medicaid/Medicare in nature and were paid at the CMS price of \$123.86. Total amount recovered to date on these claims currently has resulted in receivables of \$1,324,642.00.

In addition our team was able to identify additional codes and modifiers based upon lab-specific data and increase the amount of a standard test by \$75-\$125 dollars depending on the carrier.

Stratagem also instituted a post-payment appeal with 3 major healthcare carriers including Horizon BCBS, United Healthcare & Aetna. To date United Healthcare has reconsidered their payments for 1534 tests for a total net return to our client of \$577,383.47. We anticipate that the other insurance companies will also follow this precedent and follow suit in additional recoveries for another 28,488 tests.

Exhibit A: Redacted Screenshot from UHC Showing Additional Amounts Paid

| ICN | UCRT ID # | ADDITIONAL PD | INTEREST PAID | OVERPAID AMOUNT | DATE OF ADDITIONAL PAYMENT | ADJ / NON ADJ Recon code | UCRT C |
|------------|-----------|---------------|---------------|-----------------|----------------------------|--------------------------|--------|
| DH56215268 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| DE74524429 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| CY03464078 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| CY61100976 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| CY86896106 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| DA09718262 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| DA60396891 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| DC32103822 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| DC32102375 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| DD47057052 | 333789 | \$192.00 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| DD84894788 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| DF51992598 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| DG85276201 | 333789 | \$455.77 | \$0.00 | \$0.00 | 3/22/2023 | ZH | |
| DG90280251 | 507648 | \$455.77 | 0.00 | 0.00 | 3/22/2023 | ZH | |
| DH59837523 | 507648 | \$455.77 | 0.00 | 0.00 | 3/22/2023 | ZH | |
| DH64438151 | 507648 | \$455.77 | 0.00 | 0.00 | 3/22/2023 | ZH | |
| DA76597952 | 507648 | \$455.77 | 0.00 | 0.00 | 3/22/2023 | ZH | |
| DD20294510 | 507648 | \$455.77 | 0.00 | 0.00 | 3/22/2023 | ZH | |
| DD64626141 | 507648 | \$455.77 | 0.00 | 0.00 | 3/22/2023 | ZH | |
| DD67833722 | 507648 | \$455.77 | 0.00 | 0.00 | 3/22/2023 | ZH | |
| DD77539356 | 507648 | \$455.77 | 0.00 | 0.00 | 3/22/2023 | ZH | |
| DE55833064 | 507648 | \$455.77 | 0.00 | 0.00 | 3/22/2023 | ZH | |

+ ☰ Cover Memo ▾ UNET ▾ Adjustment Code Key ▾ Non Adjust | < >
Sum: \$577,383.47 ▾

Exhibit B:

Actual Screenshot of ERA Showing payments made from underpayment

| UNITED HEALTHCARE INSURANCE COMPANY | | | | | | | | | | | REMITTANCE | |
|--|-------------|---------|--------------|-----------------|---------|----------------|--------|------------|------------|---------|--------------------|--------|
| NPI #: 1083 | | | | | | | | | | | ADVISE | |
| EFT #: 1TZ47 | | | | | | | | | | | DATE: 2023-04-04 | |
| PAGE #: 5 of 64 | | | | | | | | | | | | |
| REND PROV | SERV DATE | POS NOS | PROC | MODS | BILLED | ALLOWED | DEDUCT | COINS | GRP/RC-AMT | PROV PD | | |
| NAME | | HIC 9 | | ACNT 2112221265 | | ICN DD16391527 | | 0107339619 | | ASG Y | MOA | |
| INSURED NAME: ----- | | | | | | | | | | | | |
| | 1222 122221 | | 1 G2023 | | 55.00 | 55.00 | 0.00 | 0.00 | | | 55.00 | |
| | 1222 122221 | | 1 U0004 | | 450.00 | 450.00 | 0.00 | 0.00 | | | 450.00 | |
| PT RESP | 0.00 | | CLAIM TOTALS | | 505.00 | 505.00 | 0.00 | 0.00 | | 0.00 | 505.00 | |
| ADJ TO TOTAL: PREV PD | | | | | | | | | | | INTEREST | 0.00 |
| PLAN TYPE: CHOYC+ | | | | | | | | | | | LATE FILING CHARGE | 0.00 |
| STATUS CODE 1: Processed as Primary | | | | | | | | | | | NET | 505.00 |
| ----- | | | | | | | | | | | | |
| NAME | | HIC 9 | | ACNT 2112221277 | | ICN DD16391530 | | 0097323511 | | ASG Y | MOA | |
| INSURED NAME: ----- | | | | | | | | | | | | |
| | 1222 122221 | | 1 G2023 | | -55.00 | 0.00 | 0.00 | 0.00 | PR-242 | -43.27 | -11.73 | |
| | 1222 122221 | | 1 U0004 | | -450.00 | 0.00 | 0.00 | 0.00 | PR-242 | -412.50 | -37.50 | |
| PT RESP | 0.00 | | CLAIM TOTALS | | -505.00 | 0.00 | 0.00 | 0.00 | | -455.77 | -49.23 | |
| ADJ TO TOTAL: PREV PD | | | | | | | | | | | INTEREST | 0.00 |
| PLAN TYPE: CHOYC+ | | | | | | | | | | | LATE FILING CHARGE | 0.00 |
| STATUS CODE 22: Reversal of Previous Payment | | | | | | | | | | | NET | -49.23 |
| ----- | | | | | | | | | | | | |
| NAME | | HIC 957 | | ACNT 2112221277 | | ICN DD16391530 | | 0107339623 | | ASG Y | MOA | |
| INSURED NAME: ----- | | | | | | | | | | | | |
| | 1222 122221 | | 1 G2023 | | 55.00 | 55.00 | 0.00 | 0.00 | | | 55.00 | |
| | 1222 122221 | | 1 U0004 | | 450.00 | 450.00 | 0.00 | 0.00 | | | 450.00 | |
| PT RESP | 0.00 | | CLAIM TOTALS | | 505.00 | 505.00 | 0.00 | 0.00 | | 0.00 | 505.00 | |
| ADJ TO TOTAL: PREV PD | | | | | | | | | | | INTEREST | 0.00 |
| PLAN TYPE: CHOYC+ | | | | | | | | | | | LATE FILING CHARGE | 0.00 |
| STATUS CODE 1: Processed as Primary | | | | | | | | | | | NET | 505.00 |
| ----- | | | | | | | | | | | | |
| NAME | | HIC 844 | | ACNT 2112221002 | | ICN DD16391537 | | 0097500509 | | ASG Y | MOA | |
| INSURED NAME: ----- | | | | | | | | | | | | |
| | 1222 122221 | | 1 G2023 | | -55.00 | 0.00 | 0.00 | 0.00 | PR-242 | -43.27 | -11.73 | |
| | 1222 122221 | | 1 U0004 | | -450.00 | 0.00 | 0.00 | 0.00 | PR-242 | -412.50 | -37.50 | |
| PT RESP | 0.00 | | CLAIM TOTALS | | -505.00 | 0.00 | 0.00 | 0.00 | | -455.77 | -49.23 | |
| ADJ TO TOTAL: PREV PD | | | | | | | | | | | INTEREST | 0.00 |
| PLAN TYPE: CHOYC+ | | | | | | | | | | | LATE FILING CHARGE | 0.00 |
| STATUS CODE 22: Reversal of Previous Payment | | | | | | | | | | | NET | -49.23 |
| ----- | | | | | | | | | | | | |
| NAME | | HIC 844 | | ACNT 2112221002 | | ICN DD16391537 | | 0107339591 | | ASG Y | MOA | |
| INSURED NAME: ----- | | | | | | | | | | | | |
| | 1222 122221 | | 1 G2023 | | 55.00 | 55.00 | 0.00 | 0.00 | | | 55.00 | |
| | 1222 122221 | | 1 U0004 | | 450.00 | 450.00 | 0.00 | 0.00 | | | 450.00 | |
| PT RESP | 0.00 | | CLAIM TOTALS | | 505.00 | 505.00 | 0.00 | 0.00 | | 0.00 | 505.00 | |
| ADJ TO TOTAL: PREV PD | | | | | | | | | | | INTEREST | 0.00 |
| PLAN TYPE: CHOYC+ | | | | | | | | | | | LATE FILING CHARGE | 0.00 |
| STATUS CODE 1: Processed as Primary | | | | | | | | | | | NET | 505.00 |
| ----- | | | | | | | | | | | | |
| NAME | | HIC 878 | | ACNT 2112221017 | | ICN DD16391537 | | 0067887823 | | ASG Y | MOA | |

Other Areas of Expertise

Our team discovered during a full scale review of the client's account that they were leaving money on the table and billing only certain CPT Codes for their tests. We were able to confirm and then successfully bill additional CPT codes and modifiers. One of the data projects that we have successfully completed for this client includes additional reimbursement of \$23-\$37 per test for over 32,000 tests done from September of 2021 until January 1, 2023. This has resulted in a net increase to the client of \$928,000 which was "written off" or closed out according to their LIMS system which we post payment in.

The project remains ongoing and we are conservatively forecasting additional payments of \$1,225,000.00 to \$3,450,000.00 over the next 9 months of the project. In addition we have also been asked to stay on as the primary biller for this client because we increased their overall recovery from 18%* of claim amount to 34%* of claim amount which represents almost double the amount of revenue received previously.

Previous PCR Tests were being paid at \$75-82 per test

Currently Companies are reimbursing \$120.99 to \$585.00 per test based upon the client's individual insurance.

Why Stratagem Succeeds

- **Coding:** Healthcare services are coded using the Current Procedural Terminology (CPT) and International Classification of Diseases (ICD) codes. These codes ensure that the services provided are accurately described and billed to insurance companies. Stratagem utilizes databases and certified medical coders to ensure that CPT codes are bundled or non-bundled, do not conflict, and that your ICD-10 codes are properly supportive of the claim being made.
- **Claim Submission:** Once the services are coded, a claim is submitted to the insurance company for payment. Claims are submitted by our team through the clients clearinghouse and individual insurance company portals. We utilize an active spreadsheet database where our clients can see what's happening and how cash flow is looking.
- **Follow-up:** Insurance companies may deny claims for various reasons, including missing information or incorrect coding. The majority of the time major national health insurance companies are irrationally denying claims and hoping to take the "wait and see" approach with the physician or laboratory. Follow-up is necessary to ensure that claims are paid and any issues are resolved. Stratagem follows each claim from the cradle to the grave and ensures that our clients receive the maximum possible payment legally and swiftly.

In order to better serve our potential clients our experts need to have an in-depth review of the specific providers account we need the following information to start:

1. Clearinghouse Access (Availity, Change, Kareo, Advanced MD, Epic Etc.)
2. LIMS Access (Laboratory Information Management System)
3. Health Insurance Portal access for the main insurance carriers.
4. Previous A/R Reports and EOP/ EOB's for proof of current reimbursement rate per carrier.