



Affiliated Contractors (ACs) refers to Carriers, DMERCs, and FIs.

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### Predictive Modeling Update

The Centers for Medicare & Medicaid Services (CMS) awarded a Special Study: Predictive Modeling and Data Display to Livanta LLC ("Livanta") on July 13, 2005. The goal of the Special Study was to explore the feasibility and identify possible applications to detect improper Medicare payments. The objectives of the study are twofold. The first objective of the study is to produce a predictive model capable of scoring all Medicare Fee-For-Service (FFS) claims. If possible, the study is to implement the model in a near real-time or real-time claims-processing system. Ultimately, the study is to determine if a model could be developed to detect improper payment anomalies in a Pre-Pay computer edit environment.

The second objective of the study is to provide CMS and/or its contractors with an enhanced capability to analyze and display claims error information at an aggregate level. The study seeks to identify a system to display the error rates of various claims subsets with emphasis on flexibility and ease of use.

The Special Study consists of 2 tasks: Task 1 is identifying tools used for Predictive Modeling, and Task 2 is identifying tools used for Data Display. Livanta broke each of those tasks into 2 evaluation phases: Phase 1 was conducted using PowerPoint slides submitted by the vendors, and Phase 2 is hosting a live demonstration of the products.

The following timeline was established for the Predictive Modeling and Data Display Special Study and was published to the vendor organizations by Livanta. The Phase 1 evaluation and scoring of the PowerPoint slides was completed December 22, 2005, rather than in November. Phase 2 activities (Live In-Person Presentations and any prototype development) are scheduled for late January, 2006.

Request for Written Questions	August 2005
Answer Written Questions	September 2005
Distribute Predictive Modeling & Data Display Evaluation & Scoring Criteria	September 2005
Ensure All Vendors Will Use Data Mining Tool or Computer Application	September 2005
Hold Open Forum for Additional Questions	September 2005
Distribute Data Files to Vendors	October 2005
Review, Evaluate, and Score Vendor PowerPoint Slides	November 2005
Review, Evaluate, and Score Vendor Live In Person Presentations	December 2005
Build and Test a Prototype System	January 2006

The current status of the Special Study project is as follows:

- Phase 1 of both Task 1 Predictive Modeling and Task 2 Data Display is complete.
- The results of Task 1 Predictive Modeling are still being analyzed and reviewed and the outcome will be announced January 27, 2006.
- The Phase 2 live demonstration for Task 2 Data Display is being scheduled for January 25 and 26, 2006.

Livanta, with CMS approval, brought together an evaluation panel consisting of Affiliated Contractor representatives (2 from a carrier, 1 from an FI), internal Livanta staff, and several PhD statistician consultants who are experienced in the areas of modeling and evaluation. This panel developed the evaluation methods, designed the scoring documents, and applied the evaluation criteria against the tools submitted by the vendors.

A "limited dataset", as approved by CMS, was created from the following data sources:

1. "Lewin View" of the CERT I review database.
2. National Provider files (MPIER for physicians, OSCAR for facilities, and NSC for suppliers).
3. National Enrollee Database (EDB) for beneficiaries.

Provider and beneficiary records for only those providers and beneficiaries contained in the CERT data were extracted. All provider and beneficiary IDs were masked. Three files were created: one each for DME, Part B and Part A claims. This information, along with data dictionaries and lookup tables, was distributed via CD to the participating vendor organizations after appropriate security forms and Limited Data Use Agreements were signed.

Nine vendor organizations (down from the original 40 which expressed interest) participated and were given 40 calendar days upon receipt of the limited datasets to

apply their predictive modeling tools and/or data display products to the data. All results, along with the PowerPoint presentations, were due at Livanta by December 6, 2005.

There were six vendors who submitted predictive modeling results for Task 1. There were five vendors who submitted data display products for Task 2.

There are 4 vendors that showed promising products for data display. We are proceeding with inviting these vendors to Livanta for a live demonstration of their products in late January (January 25 and 26). The results of Phase 1 of the predictive modeling task are still being analyzed and reviewed and the outcome will be announced January 27, 2006. The findings of the Special Study will be published in the February Newsletter.

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### Reminder for ACs and Providers

We encourage all ACs to maintain contact with their providers through calls, letters, and emails. We need current physical addresses and phone numbers for providers; but we also need ACs to contact providers to encourage them to submit records in a timely fashion. Providers need to be aware that the CERT requests are sent out on a regular schedule and providers should process the medical record requests as soon as the requests are received. When providers wait until the 3<sup>rd</sup> letter or the OIG (Office of Inspector General) letter to arrive before sending records, the records may still be in process when the deadline is reached resulting in no documentation errors. Help us avoid no documentation errors by responding to the first letter requesting records and by making sure CERT has correct phone numbers, fax numbers, and mailing addresses. To update provider information, go to: <http://www.certprovider.org>

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***The purpose of the CERT Newsletter is to provide for an exchange of information among the Centers for Medicare and Medicaid Services (CMS), the CERT Review Contractor (CRC), the CERT Documentation Contractor (CDC), Affiliated Contractors (ACs) and Providers. The Newsletter is not intended to set CMS policy or replace CMS directives. The newsletter is published monthly by CDC. Archived copies are available on the CERT Website: <http://www.certprovider.org>***

Send in questions, suggestions, and/or articles for inclusion in the newsletter to [marylou@certcdc.com](mailto:marylou@certcdc.com)  
Deadline for February issue is 30 January 2006.

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