

## **ARGUS Claim Review: A powerful system to guard against errors and fraudulent billing**

*At Cypress Benefit Administrators, we are continually on the lookout for ways to save our clients money on their medical expenses. As a part of this effort, we've instituted **the most all-encompassing fraud protection and cost containment system available: ARGUS Claim Review.** Many of our clients have experienced the **significant savings** generated by ARGUS.*

*Following is just one example:*

### **CASE #91: Cypress received a large claim from an out-of-network hospital.**

Cypress received an out-of-network hospital bill for \$130,400.10. When an out-of-network hospital bill comes in, ARGUS gets involved to negotiate a discounted amount with the facility. Upon contacting the hospital to see if they would be willing to negotiate, the hospital stated that, while they were agreeable to negotiations, they normally only grant a 10% discount.

ARGUS uses several different information sources, including Medicare reimbursement, to determine fair compensation to the facility for services rendered. After a thorough review, it was determined that if the same bill had been submitted to Medicare for payment, the amount that would have been paid to them per their local wage index for the Diagnosis Related Group (DRG) they billed was **\$33,982.86. The hospital was billing nearly 400% of the Medicare-allowed amount.**

A negotiation proposal was sent to the hospital asking them to accept a deeper discount if payment was made within 10 business days. This amount represented approximately 268% of the Medicare-allowed amount. Normally 200% of the Medicare-allowed amount is considered an acceptable payment; any billed amount greater than this is considered to be an artificial price created solely to generate additional revenue for the facility at the expense of the plan.

Ultimately, the facility was paid \$67,965.72 including patient deductible and co-insurance responsibility. **This equated to over a \$60,000 savings to the employer!**

Negotiations are always attempted on large dollar out-of-network hospital or ambulatory surgical facility claims; however, the amount the hospital is willing to accept must be fair to the plan. Billing 400% of the Medicare-allowed amount is not fair to the plan. It is an established fact that hospitals feel they are "underpaid" by Medicare and attempt to recoup what they perceive to be losses through overcharging private insurance. **ARGUS makes sure that they do not do this at your expense.**