

Trustmark Companies' Sentinel Group fights healthcare fraud and abuse with IBM solution

Overview

Challenge

Reduce wrongful medical payments and increase the productivity of claims investigators

Solution

IBM Fraud and Abuse Management System, a comprehensive offering to help identify and investigate potentially fraudulent and abusive claims

Key Benefits

Rapid return on investment and improved efficiency through more accurate identification of suspect providers

A commitment to its clients

Headquartered in Lake Forest, Illinois, the Trustmark Companies provide health and life insurance as well as benefits administration services to employers throughout the United States. With more than US\$1.9 billion in assets, Trustmark processed over US\$3 billion in claims in 2003.

Trustmark believes it has an obligation to keep healthcare benefits affordable and, in 1990, established a dedicated unit, the Sentinel Group, to investigate fraud and abuse.

Controlling costs and reducing liabilities

Trustmark was keenly aware of its financial exposure to overpayment costs. According to estimates from the federal government and many issues-based organizations, as much as 10 percent of all healthcare expenditures in the United States may be lost each year to fraud, abuse and waste.

However, the Sentinel Group was using manual processes to detect and pursue cases, resulting in “pay-and-chase” strategies—paying claims up-front and then monitoring suspicious behavior over several years—which made it difficult to reclaim overpaid funds. Investigators wanted an automated, analytical process for scrutinizing provider and claims data.

“Although we were very successful in 2003, when we saved Trustmark over US\$7 million in fraudulent claims, we wanted to significantly enhance our investigative capabilities and increase recoveries,” says Kelli Garvanian, Trustmark second vice president and head of the Sentinel Group. Garvanian and her team were also looking to expand their client base by marketing their services externally.

A comprehensive solution

IBM helped the Sentinel Group implement a solution that could address the full spectrum of fraud and abuse management—prevention, detection, investigation and settlement—starting with the installation of the IBM Fraud and Abuse Management System.

The system uses data mining and advanced analytics to create profiles of provider groups within a medical specialty and geographic area. Then it scores individual providers based on their degree of deviation from the norm. The point-and-click graphical interface and reports wizard make it easy to analyze data and to drill down into more detailed information on each provider or claim.

IBM consultants also worked with the Sentinel Group to reengineer its business processes so it could build appropriate models and generate profiles.

A rapid return on investment

During the system's one-month trial phase, the Fraud and Abuse Management System identified nearly US\$1 million in questionable claims for Trustmark. As the sample was confined solely to three specific medical specialties in four states, the Sentinel Group expects to see even broader success as it applies the technology across multiple specialties and regions. In fact, it has already seen a significant return on its investment.

"We have hired additional investigators, knowing that the system will help generate enough high-value work for them, and that the returns will justify the outlay."

— Kelli Garvanian, Trustmark second vice president and head of the Sentinel Group

The system also gives Sentinel Group team members a better idea of which providers to examine and which claims to focus on, helping shorten the time to a successful outcome.

According to Garvanian, "We are extremely confident that IBM's solution will both save us money and boost our productivity. In fact, we have hired additional investigators, knowing that the system will help generate enough high-value work for them, and that the returns will justify the outlay."

For more information

The IBM Fraud and Abuse Management System is part of the IBM Center for Business Optimization's solution portfolio. The center brings together IBM's industry and process expertise, hardware and business performance software, and the company's deep computing and advanced analytics capabilities to tackle business and government's most difficult challenges.

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To learn more about the IBM Fraud and Abuse Management System and the IBM Center for Business Optimization, contact your IBM representative, or visit:

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To learn more about the Trustmark Companies and the Sentinel Group, visit:

trustmarkcompanies.com
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