

Physicians Advocacy Institute, Inc.

FREQUENTLY ASKED QUESTION ABOUT MDEdge

1. Q: What is PAI?

A: The Physicians Advocacy Institute, Inc., (PAI) was established in 2006 with funds from the Multi-District Litigation class action settlements against for-profit health insurers. The PAI's mission has been: 1) to ensure compliance with the class action settlements, most of which have expired; and 2) to identify and address future health plan practices that affect the ability of physicians to be paid fairly for their services. The PAI is governed by a Board of Directors comprised of the CEOs of the following original plaintiff state medical associations: California Medical Association; Connecticut State Medical Society; Medical Association of Georgia; Nebraska Medical Association; Medical Society of the State of New York; North Carolina Medical Society; South Carolina Medical Association; Tennessee Medical Association; and Texas Medical Association.

2. Q: What is MDEdge?

A: MDEdge is a business intelligence tool created by the Physicians Advocacy Institute, Inc., for the benefit of physicians and state, county and national medical specialty societies. It is a claims data warehouse that receives electronic 837 claim forms submitted by physicians to all third party payers (government and non-government) for payment. The Warehouse analyzes the electronic 835 remittance form received from the insurer indicating what has been paid. The Warehouse can determine if payments to physicians are correct and if the insurers have applied code edits or made other inappropriate "adjustments" to the physician's reimbursement. The Warehouse can analyze and compare across a wide range of metrics. This is the first product of its kind developed by medical associations for medical associations and physicians to determine what has happened to a physician's claim for payment.

3. Q: Why did PAI build the Health Claims Data Warehouse, MDEdge?

A: It became apparent to the state and county medical associations that brought the original litigation that physicians were, and always would be, at a disadvantage in all discussions and contract negotiations with insurers and health plans because the health plans controlled all the analysis of individual physician claims data and aggregate claims data to determine payment patterns and payment problems areas for physicians. It was determined that physicians needed a business intelligence tool that could empower physicians with data and knowledge about their individual claims and provide physicians with the ability to analyze insurer payment patterns across a wide array of metrics.

4. Q: How are a physician's claims provided to the Warehouse?

A: PAI has entered into a contractual relationship with National Healthcare Exchange Services (NHXS), a leading provider of contract compliance and denial management workflow automation. NHXS currently provides claims analysis services for 24,000 physicians nationally and it is this data that powers MDEdge.

5. Q: What types of claims (paper or electronic) will NHXS accept?

A: Only electronic transmittals will be accepted from physicians (HIPAA ANSI X12 837) through their own practice management system or through their clearinghouse. If physicians are not currently receiving the electronic remittance advice form (ANSI 835), they must enroll with health insurers in order to receive the 835 form back electronically. The 835 remittance advice form tells the physician how the insurer has disposed of the claim. An 837 remittance advice form is commonly referred to as the "explanation of benefits."

6. Q: How is PAI and how are physicians protected from anti-trust violations since payment and charge data are available?

A: MDEdge will operate within all the federal antitrust laws and regulations. The Department of Justice (DOJ) and the Federal Trade Commission (FTC) have issued a Statement of Antitrust Enforcement Policy in Healthcare, which describes enforcement policy with respect to the collective provision of fee-related information to purchasers of healthcare services. It includes an antitrust safety zone within which the collective provision of fee-related information will not be challenged by the DOJ and the FTC absent extraordinary circumstances. Certain conditions must be met in order to qualify for the safety zone. All users of MDEdge will be required to enter into a written agreement prohibiting their use of data obtained from MDEdge for any use that would violate or could be perceived to violate antitrust laws. MDEdge has a built-in functionality that assures compliance with the dissemination of information within the safety zone. PAI designed MDEdge to meet the FTC Safe Harbor Guidelines for surveys by associations. Legal counsel helped shape the software and the portal views to meet the FTC guidelines.

7. Q: How can a state medical association find out how many physicians from its state are contributing data to the Warehouse?

A: PAI will inform each state medical association of the number of physicians from that state whose claims data are being contributed to MDEdge by NHXS.

8. Q: What is the cost for a state medical association to have access to MDEdge?

A: PAI is marketing MDEdge specifically to state, county and national medical specialty societies so the data can be used for advocacy purposes. PAI strongly believes that the kind of data in its Warehouse is the type of data that medical associations need for effective advocacy with health insurers, legislators and regulators. Medical associations must sign an End User License Agreement (EULA) that spells out the rules for use. Each medical association will be provided two user log-ins and PAI will provide training and an on-line HELP function. Pricing for medical associations is based on a membership model:

- \$1,000 per year for up to 5,000 members;
- \$2,000 per year for between 5,000 and 10,000 members; and
- \$3,000 per year for 10,000 or more members.

Questions from state, county and national medical specialty societies about MDEdge and how to enroll should be sent to: **e-mail: info@mdedge.org**;
Phone: 888-466-1472.

9. Q: What is the cost for physicians to subscribe to MDEdge?

A: Physicians will subscribe to MDEdge through PAI's partner, National Healthcare Exchange Services (NHXS). Physicians and practices will have an opportunity to choose a pricing model based upon whether they want to submit their own claims data for analysis or only want to have access to other physicians' aggregate data or specific pre-determined benchmark data. Pricing is on a per-physician per-month model.

- For specific enrollment information and benefits, please contact NHXS at: **Phone: (916) 231-0670; Toll Free: (800) 753-3638; web: www.nhxs.com**
- NHXS pricing for physicians will be based on the number of claims submitted, which is converted into a per-physician per-month rate beginning at \$5.00 per-physician per-month with discounts for volume.
- If physicians or practices want access to data in MDEdge without submitting their own claims data, the NHXS fee will be \$45.00 per-user per-month.
- Access to the NHXS claims editing and appeal letter product, eobResolve, will be offered for separate pricing, which should be discussed with NHXS.

10. Q: Will state medical associations be able to access the data if physicians from their individual state do not sign up?

A. Yes. National data contained in the warehouse will be of value to all state, county and national medical specialty societies. It will benefit each state medical association to encourage its members to enroll in MDEdge so medical associations can analyze their own physicians' data and comparisons with other states and the nation can be made.

11. Q: What are the benchmarks that MDEdge currently analyzes?

A: The MDEdge business intelligence engine supports a range of metrics and dimensions and presentation formats.

Reports/Metrics:

- Average Underpayment Amount across all Underpaid Claim Lines
- Average Charges Below Fee Schedule across all Undercharged Claim Lines
- Average Underpayment Amount across all Claim Lines
- Average Charges Below Fee Schedule across all Claim Lines
- Average Revenue Cycle Days
- Average Payer Lag Time Days
- Average Billed Charges per Claim
- % of Claims Paid Late (With Lag Time Violation)
- % that Payer Allowed Amount comprises of Billed Charges
- % that Patient Responsibility comprises of Payer Allowed Amount
- % of First ERA (Electronic Remittance Advice) Accuracy
- % of Two or More ERA (Electronic Remittance Advice) Accuracy
- % of Claim Lines where Valid Allowed Amount per Contract = 0
- % of Claim Lines with CPT Edits
- % of Claim Lines with CCI Edits
- % of Claim Lines with Payer Edits
- % of Claim Lines Requiring Rework
- Average Lines per Claim
- % of Claim Lines Requiring Documentation

Dimensions/Filters:

- Practice /Physician hierarchy
- State
- Payer – Class of Contract hierarchy
- CPT/HCPCS Code – Modifier hierarchy
- Taxonomy
- Insurer Product Type
- Place of Service
- Date Of Service (Last X months or Specific date range)

Report Formats:

- Top Payers
- Payer Detail (Tabular monthly results by Payer)
- Practice Detail (Tabular monthly results by Physician)
- Top CPT/HCPCS Codes

12. Q: How can we find out more about enrolling in MDEdge?

A: Questions from state, county and national medical specialty societies about MDEdge and how to enroll should be sent to: **e-mail:** info@mdedge.org; **Phone:** **888-466-1472.**