PHARMACY INVESTIGATORS & CONSULTANTS

COPs
Scientific Identification of Pharmacy Fraud
a PIC product, analytics by Kavi Global

Case Study: Managed Health Plan Cuts FWA Budget

Problem: A large managed care plan in the Midwest (but serves members in all 50 states) had contracted PIC to perform routine desk audits but did not think "it was worth it" to run claims through COPs. As a value-added service, PIC ran two weeks of claims data through the COPs system. The claim volume was 62,337 claims, involving 5,300 pharmacies and 15,321 providers.

Solution: The COPs system identified 37 suspicious clusters of one-on-one or a majority of claims that were one-on-one relationships of pharmacies and physicians of a finite group of patients. However, by bringing in social media and state medical licensing information, the 37 suspicious clusters were reduced to just under a dozen that warranted on-site audits. These pharmacies included:

- One pharmacy with one physician that dispensed nothing but a drug used to treat heroin addiction but who was not properly licensed to dispense this medication.
- A pharmacy that was dispensing diabetic test strips to patients who were not also receiving diabetic medications.
- A "pharmacy" that was dispensing medication that was only licensed as a Durable Medical Equipment pharmacy.

The Outcome: Without the additional "investigative intelligence" supplied by COPs (by bringing in social media), this client would have sent their on-site auditing firm to 37 pharmacies, but only under a dozen pharmacies were actually engaged in fraud, waste or abuse (FWA) activities. The COPs system assists health plans eliminate false/positive results commonly frustrating auditors, investigators and senior management. By providing a complete package of information on each pharmacy, investigators could quickly determine which pharmacies were most likely in need of an actual on-site visits, evidence gathering and/or prosecution or network elimination. By eliminating 20 false/positive clusters, this health plan reduced their administrative costs for the FWA program by over $100,000.