

**Focused COVID-19 Claim Administration Audit**

**FINDINGS REPORT**

**State of Nevada Public Employees' Benefits Program Medical Plans  
Administered by HealthSCOPE Benefits**

**Audit Period: February 1, 2020 through September 30, 2021**

**Presented to**

**State of Nevada Public Employees' Benefits Program**

**Revised February 22, 2022**



**CLAIM TECHNOLOGIES  
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## INTRODUCTION

This **Findings Report** contains CTI’s findings and recommendations from the focused audit of COVID-19 claims from HealthSCOPE Benefits’ (HealthSCOPE) administration of the State of Nevada Public Employees’ Benefits Program (PEBP) plans. We provide this report to PEBP, the plan sponsor, and HealthSCOPE, the claims administrator. A copy of HealthSCOPE’s response to these findings can be found in the Appendix of this report.

CTI conducted the audit according to accepted standards and procedures for claim audits in the health insurance industry. We based our audit findings on the data and information provided by PEBP and HealthSCOPE. The validity of our findings relies on the accuracy and completeness of that information. We planned and performed the audit to obtain a reasonable assurance claims were adjudicated according to the terms of the contract between HealthSCOPE and PEBP and the guidelines for processing COVID-19 claims.

CTI specializes in the audit and control of health plan claim administration. Accordingly, the statements we make relate narrowly and specifically to the overall effectiveness of policies, procedures, and systems HealthSCOPE used to pay PEBP’s COVID-19 related claims during the audit period. While performing the audit, CTI complied with all confidentiality, non-disclosure, and conflict of interest requirements and did not receive anything of value or any benefit of any kind other than agreed upon audit fees.

### Audit Objectives

The objectives of CTI’s audit of HealthSCOPE’s claim administration were to determine whether:

- HealthSCOPE paid claims according to the provisions of the COVID-19 directives and if those instructions were clear and consistent;
- any claim administration systems or processes need improvement.

### Audit Scope

CTI conducted a focused audit of 250 claims of HealthSCOPE’s administration of COVID-19 claims for the period of February 1, 2020 through September 30, 2021. To ensure we identified all PEBP members’ claims that included a COVID-19 test, treatment, or diagnosis, we requested data for every claim processed during the audit period – not just those the administrator identified as COVID-19 related.

	Total Claims Processed	Total Claims Paid
Paid	933,361	\$294,364,901
Denied	129,295	\$0
Adjusted	49,668	\$27,196,144
<b>TOTAL</b>	<b>1,112,324</b>	<b>\$321,561,045</b>

## FOCUSED AUDIT FINDINGS

We used CTI’s proprietary Electronic Screening and Analysis System (ESAS®) to test HealthSCOPE’s controls and procedures for administering COVID-19 claims by selecting specific claim cases processed during the audit period.

Electronic screening of all service lines processed revealed the potential for incorrectly paid claims. CTI’s analysis confirmed the opportunity for process improvement and further testing was recommended. We sent our findings to HealthSCOPE for written response. After review of the response and additional information provided, CTI confirmed the potential for process improvement.

### Incorrect Cost Share

During CTI’s ESAS review, we found that on 64 of the 250 claims reviewed, HealthSCOPE applied a cost share incorrectly to claims that should have been processed without one. In those instances, a PEBP member was seen either in person or via a Telehealth or Teledoc visit, and the provider billed one or more diagnosis codes related to COVID-19 testing or a COVID-19 diagnosis. The breakdown of cost-share errors follows.

Incorrect Cost Share	Claims	Underpayment
Coinsurance	33	\$357.66
Deductible	24	\$2,238.71
Copayment	7	\$1,138.14
<b>TOTAL</b>	<b>64</b>	<b>\$3,734.51</b>

Of the 64 incorrect cost share applications, 56 were for in-person visits, six were for Telehealth and two were for Teledoc.

### Additional Observations

CTI notes three additional observations during this focused audit.

- HealthSCOPE paid one provider \$3,795.75 each for 15 COVID-19 tests for services provided February 1, 2021, through May 24, 2021, for a total of \$56,932.50. The average payment for a COVID-19 test made to all other providers during the audit period was \$347.47. After May 24, 2021, HealthSCOPE denied claims for COVID-19 tests from this provider.
- CTI identified one claim for a member whose hospital claim was billed with a diagnosis code for Unspecified Acute Appendicitis. This claim paid correctly with required cost share. The corresponding professional fee, however, was billed with a COVID-19 diagnosis, and that claim was paid with no cost share.
- Note that PEBP’s primary concern, that any claim billed in conjunction with a test for COVID-19 was being paid with no cost share, was not substantiated.

## RECOMMENDATIONS

CTI has the following recommendations based on our findings in this focused audit.

1. HealthSCOPE should conduct root cause analysis to determine why the application of cost-share was handled incorrectly on 64 of the 250 claims reviewed. HealthSCOPE agreed to these errors and should update its processes, procedures, and systems to ensure cost-share is applied correctly going forward.
2. HealthSCOPE should refer the provider identified in our additional observation to its Special Investigations Unit for review. A copy of this provider’s COVID-19-related claims can be provided to HealthSCOPE for further review and investigation.

## CONCLUSION

We consider it a privilege to have worked for, and with, your staff and administrator. Thank you again for choosing CTI.

# APPENDIX – ADMINISTRATOR RESPONSE TO DRAFT REPORT



27 Corporate Hill Drive  
Little Rock, AR 72205

February 4, 2022

Claim Technologies Incorporated  
100 Court Avenue Suite 306  
Des Moines, IA 50309

Dear Ms. Nisius,

Thank you for the opportunity to work with CTI on our mutual client State of Nevada Public Employees' Benefit Program.

Appendix – Administrator's Response to Draft Report for State of Nevada Public Employees' Benefit Program.

HealthSCOPE Benefits has reviewed the Focused COVID-19 findings report from CTI and provided a response to the audit report outlined below.

### FOCUSED AUDIT FINDINGS:

CTI conducted a focused audit of 250 COVID-19 claims for dates of service February 1, 2020 through September 30, 2021. CTI had identified 64 claims that were considered with a cost share during this timeframe.

- HealthSCOPE Benefits has reviewed the claims identified by CTI and does agree that the lab code should have been paid with no cost share.

### Additional Observations:

- There were 15 claims for 15 dates of service that were paid for one provider under the plan. The provider was flagged in the claim system for investigation and a letter of medical necessity for services rendered.
- The claim that is submitted by the provider will be adjudicated based on the information received on the claim to include the diagnosis as well as the services provided.

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**RECOMMENDATIONS:**

- HealthSCOPE Benefits has reviewed the claims that applied a cost share and have notified the Claims Manager to educate the staff regarding the benefit.
- HealthSCOPE Benefits did contact the provider as well as flagged the provider in the claim system to deny for investigation.

Thank you,

Jennifer Spencer, Associate Director of Quality Assurance  
HealthSCOPE Benefits, Inc

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