CORVEL

WHITE PAPER

Elevating Bill Review to Fight Fraud, Waste, and Abuse

CorVel's Proven Approach

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A Tectonic Shift in Expectations

Employers and payers face increasing pressure to control medical costs, maintain regulatory compliance, and support positive outcomes for injured workers. As billing practices and medical review accuracy come under increasing focus, the industry is seeing a wave of innovation aimed at enhancing real-time detection of fraud, waste, and abuse (FWA) – an area where CorVel has long set the standard through proven, integrated solutions.

But what does effective detection truly look like in a system that's both clinically complex and administratively fragmented?

For over 30 years, CorVel has pioneered a clinician-led, technology-forward approach to medical bill review, combining expert clinical analysis with advanced automation to ensure bill accuracy, minimize unnecessary costs, and promote appropriate care. Our mission isn't just to flag waste—it's to prevent it before it occurs.

Real-Time Intelligence, Real-World Accuracy

Medical bill review extends beyond the evaluation of charges – it serves as a central hub that integrates key services like ancillary care, utilization review, and network discounts. It functions as the connective tissue across managed care programs, directly influencing overall claim outcomes.

Given the complexity of this process, effective FWA detection requires more than reactive alerts or static credential verifications. CorVel's approach integrates precision, clinical integrity, and proactive detection throughout every stage of the bill review lifecycle.

The following pages outlines how these principles are applied across our platform to identify and prevent fraud, waste, and abuse in real time.

Comprehensive FWA Detection & Savings Model

Our multi-layered strategy combines technology, clinical expertise, and operational best practices to drive measurable savings and prevent overpayments:

Payment Integrity Controls:

Address creative billing before payment, and reduce variability and subjectivity in medical billing decisions.

Front-End Bill Analysis

Use of automated processes to detect billing errors such as:

- Unbundling & Upcoding
- **Duplicate billing detection:** On average, 6.2% of workers' compensation bills submitted to CorVel are flagged as duplicates, resulting in approximately **$280 million in annual provider charge savings**, substantially reducing waste.

Regulatory-Based Adjudication

Aligns payment determinations with:

- State Fee Schedules
- UR Guidelines
- State Form Requirements
- State Reporting Requirements

Annual Provider Charge Savings

$280 million

Comprehensive FWA Detection & Savings Model Cont.

Clinical Validation

Specialty Bill Review

CorVel's team of registered nurses and certified coders conducts in-depth reviews of high-risk bills against supporting medical records to ensure every adjudication is accurate, consistent, and defensible. Over 35% of bills reviewed through this process contain inaccuracies that are identified and addressed.

Specialty-Specific Guidelines

Customized clinical edits utilizing evidence-based protocols that help detect overutilization that wouldn't be visible via coding alone.

Nurse & Physician Review

Through the utilization management process, treatment plans and documentation are reviewed to assess:

- Medical Necessity
- Appropriateness for diagnosis
- Frequency and duration of care

35%+
specialty bill review corrections

In and Out of Network Management

In-Network Discounting Controls:

- Encourages appropriate billing by routing care through PPO Networks
- Encourages compliance with contracted rates and predefined billing practices

Negotiation & Local Advocacy

- Over 30% average savings on out-of-network bills is achieved through expert negotiation teams and designated state advocates maintaining compliance and timely rule updates.

30%
average savings out-of-network bills

Technology & Integration

Integrated Platform

CorVel's Care[MC] platform enables real-time electronic intake, bill review, and payment approvals. Users can instantly view, approve, or return bills—accelerating cycle times and reducing administrative waste.

End-to-End Service Integration

Seamless integration with utilization review, ancillary care, case management, and claims management provides a holistic, data-driven approach to detecting and preventing FWA throughout the claim lifecycle.

From Detection to Prevention: Advanced Analytics in Action

Measurable Outcomes

CorVel's analytics platform leverages real-time and historical claims data to identify billing anomalies before overpayments occur. Unlike reactive systems that rely on alerts or audits post-payment, CorVel detects duplicate billing, upcoding, unbundling, and excessive service frequency proactively.

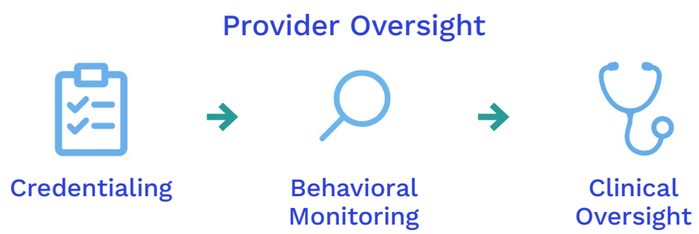
CorVel's proactive workflow continuously evaluates claims to identify suspicious behaviors and recurring patterns early in the process. Intelligent risk scoring prioritizes claims with higher probabilities of error or abuse.

Cost containment outcomes are imperative when determining if a program is proactively identifying waste. CorVel's program consistently delivers results, achieving over 28% greater average savings than competitors and lowering average recommended payments.

Provider Oversight with Clinical Context

Provider integrity requires more than daily credential verification. CorVel integrates automated validation of credentials, licensure, and NPI status—refreshed daily—with behavior-based monitoring informed by regional claims trends. This ensures providers within CorVel's proprietary PPO network meet credentialing standards, evaluate potential sanctions, and adhere to coding requirements.

Our QA committee, including CorVel's national medical director and a panel of peer physicians, reviews newly sanctioned providers to ensure appropriate action is taken.



Ensuring network integrity through continuous oversight

Exceeding Industry Standards in FWA Detection

CorVel's FWA detection program goes beyond industry norms, identifying inconsistencies even between utilization review (UR) determinations and billing practices. A common misconception in UR and bill review integration is the belief that a certified procedure must be paid as billed, regardless of cost or code. This is inaccurate. Certification does not override the need for proper coding and documentation, nor does it exempt bills from jurisdictional guidelines.

A frequent discrepancy involves mismatches between the authorized procedure and the billing code submitted. For instance, a surgery may be authorized as an endoscopic approach—using direct visualization through a scope—but is later billed as percutaneous, which involves access through the skin (via puncture or minor incision) using needles or catheters.

This distinction matters: Percutaneous procedures often allow separate billing for individual components and tend to generate higher reimbursement, whereas endoscopic procedures are typically bundled with associated services like sedation and are reimbursed at lower rates.

Detecting and correcting these inconsistencies is essential to maintaining billing integrity and reducing waste.

Clinician-Led, Technology-Enhanced Bill Review

Processing millions of medical bills annually, CorVel's platform leverages advanced technology to perform pre-payment documentation reviews, apply jurisdictional fee schedules and network discounts, and escalates anomalies for clinical resolution.

Unlike retrospective-only solutions, CorVel embeds bill review at the decision point, preventing overpayments upfront while ensuring fair, defensible reimbursement.

Enhancing Workflow Efficiency

Our ongoing product innovation focuses on streamlining the bill review process, and reducing adjuster administrative burden:

- **Enhanced Document Viewer:** Simplifies navigation of complex medical documents during review.
- **AI Medical Record Summarization Planned** automation to generate concise summaries, reducing manual review time and improving accuracy.
- **Streamlined Medical Bill Submission:** Facilitates direct submission of bills, cutting administrative steps and accelerating claims processing
- **Augmented Adjuster Auto Adjudication:** Expands automation in adjudication, saving valuable decision-making time.

These improvements optimize productivity, reduce manual workload, and improve overall claims cycle times.

Conclusion

Fraud, waste, and abuse in medical billing persist as significant challenges in the evolving healthcare environment. CorVel's clinician-led, technology-enabled, multi-layered approach delivers a comprehensive framework that proactively prevents overpayments, produces measurable savings, and safeguards payer investments.

Comprehensive Solutions at a Glance

Rising Medical Costs	Specialty reviews by nurses and coders reduce improper or excessive payments.
Duplicate & Erroneous Billing	Automated Detection: 6.2% of bills flagged as duplicates, saving $280M+ annually.
Complex Regulatory Compliance	Regulatory-Based Adjudication: Automates alignment with jurisdictional mandates.
Out-of-Network Abuse	Network Optimization & Negotiation: 30%+ savings through PPO routing and expert advocacy.
Lack of Real-Time Visibility	Integrated Care^{MC} Platform: Real-time approvals and analytics streamline decision-making.
Retrospective Payment Recovery	Proactive Prevention Workflow: Detection embedded pre-payment to prevent leakage.
Adjuster Admin Burden	AI Summarization & Auto-Adjudication: Reduces manual workload and accelerates claims.

By integrating cutting-edge technology with expert clinical review and continuous provider oversight, CorVel empowers employers and payers to effectively control medical costs, maintain regulatory compliance, and support positive outcomes for injured workers.

Interested in learning more?

Visit corvel.com to learn more about preventing FWA or scan the QR code.