



EVIDENCE OF COVERAGE VALIDATION

Reveal Risks and Opportunities

Nolan's *Evidence of Coverage (EOC) Validation* provides insight into processing issues that place a payer at risk of regulatory penalties and member and provider dissatisfaction.

Many payers have expanded into new lines of business (e.g. Marketplace, Medicare) and/or new geographic areas. Implementation dates are often aggressive with short timeframes. Frequently, payers lack expertise in these new lines of business. When a new line of business goes into production, payers begin to identify areas of concern, e.g., claims processing errors, unexpected high volume of grievances and appeals, etc.

Incorrect processing can lead to regulatory penalties and member and provider dissatisfaction, so it is imperative to quickly identify and define production issues and problems. Yet, it typically isn't feasible to conduct a full regression test due to cost, time, and organizational capacity constraints. And auditing alone doesn't ensure all key conditions are tested. A proactive *validation* approach is more effective, and will lead to better alignment with regulations and benefit design.

Focus on the EOC

Validation blends testing and audit techniques, which reduces the overall cost of full regression testing with a higher-level of confidence than auditing. Our experience has demonstrated that using the EOC as the focal point of the validation yields more comprehensive results than a test or audit.

Zero-In on Risk

Nolan's experts can pinpoint whether an area should be tested or audited based on their knowledge of typical risk areas within a specific line of business. The EOC is validated to ensure that it is consistent with contracts and regulatory requirements. Once the EOC is verified, it is used to outline the specific areas of operations that should be validated to ensure members, providers, and the plan

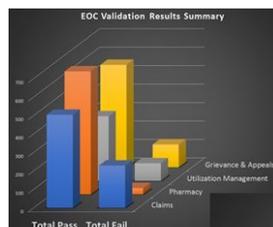
itself aren't adversely impacted by processing errors. Nolan's proprietary model has been used in multiple health plans to identify errors in alignment with regulations and business processes that require remediation.

Our Approach

Our *EOC Validation* approach is an iterative process that can typically be delivered in a few weeks. The *EOC Validation* entails two key objectives:

1. Ensure the information in the EOC meets regulatory requirements and is consistent with the plan's submission to regulatory entities.
2. Validate that the plan is administering the business in accordance with the EOC. Key components of the validation include: premium billing, benefit determinations, claims payment, determination of member financial responsibilities, utilization management determinations, and grievances and appeals.

Results include identified failures and root causes. Each issue is recorded as an Observation, Corrective Action Required (CAR), or Immediate Corrective Action Required (ICAR).



What We Deliver

The *EOC Validation* produces results for each scenario with identified conditions and root cause analysis. The engagement includes identification of universes that will be verified, determination of validation scenarios, execution of the validation, and final readout of the results. The volume of scenarios validated are based on the number of identified universes, and usually involve several hundred scenarios. A typical engagement delivers:

- **Validation Results** that identify:
 - o Validation Scenarios, including contractual requirements, regulatory requirements, benefit design
 - o Details of passes and failures, identified conditions, and root cause categories
- **Root Cause Analysis** with financial impact and recommended remediation steps
- **Final Readout** with the summary of the results, conditions, and root cause analysis

Reap the Benefits

The *EOC Validation* is a proactive approach to determine systemic failures in the implementation of new lines of business that are in production. Identified conditions and root cause analysis support remediation plans. Identification and remediation of systemic issues will help the plan to adhere to regulatory requirements and avoid regulatory penalties.

Why Nolan?

For over 40 years, The Nolan Company has helped businesses improve service, quality, productivity, and profitability through process innovation and effective use of technology. Nolan Consultants are seasoned healthcare industry professionals who have not only consulted on these issues — they've owned them. Nolan's unique blend of tools, methods, and intellectual property sets us apart from other firms. We're experts in developing operational and technology solutions that deliver immediate results and lasting outcomes — and we're committed to working with you from assessment through implementation.



TAKE THE NEXT STEP: CONTACT US
To learn more about Nolan's comprehensive approach to EOC Validation,
or any other operational or technology issues,
visit renolan.com or call (800) 248-3742.