

AFFORDABILITY AND MEDICAL CLAIMS INTEGRITY



INTRODUCTION

Affordability and medical claims integrity

- › **Claims costs rose 25% in the past 5 years**, so Tennessee employers and our members need us to make sure what they're paying is accurate
- › **We do not use artificial intelligence (AI) to deny or adjust claims**
- › We look for outlier patterns, then review claims to **make sure the codes submitted are supported by documentation**, following industry best practices. All adjustments are made with clinician review.

How providers use AI tools for claims

AI tools improve efficiency but can lead to use of higher-level claims codes – even if higher complexity services aren't documented as part of the patient's treatment in the medical record

AI tools in claims software are:

Gathering data and suggesting codes

- Recording audio of patient conversations
- Searching clinical notes and reports
- Prompting to add documentation

Influencing claims submissions

- Suggesting diagnoses to the provider or a coder
- Offering documentation corrections if the claim appears to be at a high risk of denial based on previous claim submissions

Expediting appeals

- Drafting letters that reference payer policies, clinical studies and case-specific documentation
- Reducing the provider's administrative workload for submitting appeals, which significantly increases the volume of appeals for us to review

REAL-WORLD EXAMPLE

Anemia

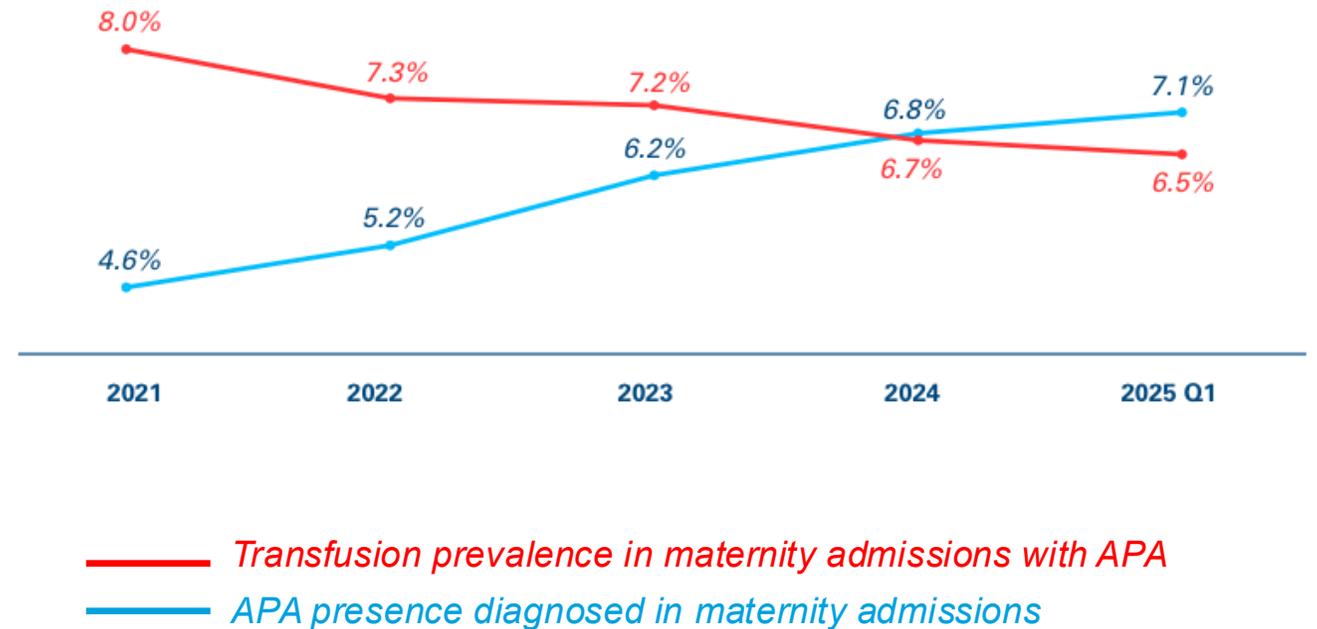
2021-2025 claims data shows that **diagnoses** of this blood disorder in maternity patients admitted

rose from 4.6% to 7.1%

but the **frequency of transfusions** for patients with that diagnosis

dropped from 8% to 6.5%

*More diagnoses, fewer treatments –
and \$2.6 million in added medical costs*



REAL-WORLD EXAMPLE

Sepsis

2021-2025 claims data shows that **diagnoses** of sepsis with major complications

rose by 7%

but we didn't see a rise in treatments and the **average length of stay** for patients with that diagnosis

dropped by 1.1 days



If more patients were experiencing sepsis, we'd see more treatments and longer hospital stays

REAL-WORLD EXAMPLE

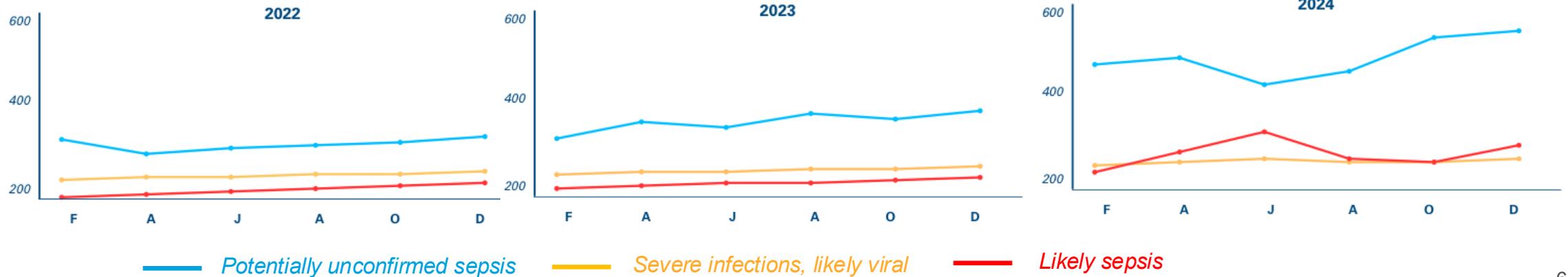
Sepsis

National data shows hospital admissions with sepsis diagnoses are rising, but most of these patients are **not** getting treatments for the condition



Sepsis diagnoses as a percentage of total infectious disease admissions (COVID-19 diagnoses excluded)

Sepsis admissions groups by likelihood of sepsis



REAL-WORLD EXAMPLE

Provider evaluation & management services

Over 8 years, one Tennessee provider group's total E&M claims **stayed flat**

but the share of those claims filed as high-complexity

increased sharply

which added

\$23 million in costs



E&M claims by level (Low = 1-3, Moderate = 4, High = 5)

CLAIMS REVIEWS

Human review aligns payments with services

› Identifying outliers

- We look for patterns where more than 50% of a provider's claims are coded at the highest evaluation and management (E&M) levels

› Reviewing claims

- We evaluate their E&M claims to make sure the complexity of services supports the diagnoses

› Adjusting payments

- We adjust individual codes one level down if the clinician review finds the codes submitted are not supported by documentation. Payments changed by an average of \$31.

› Monitoring changes

- We remove providers from this process if we validate that most of their claims are at the appropriate complexity level



**BlueCross does not
use AI to deny or
adjust claims**

Our vendor, Cotiviti, has been widely used by health payers for many years – including other payers here in Tennessee

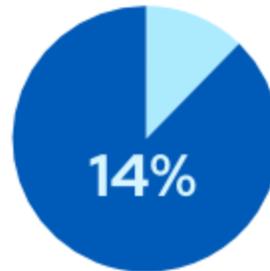
CLAIMS REVIEWS

By the numbers: April 15 – Dec. 31, 2025

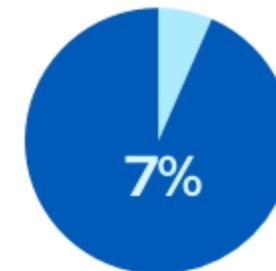
We processed
51.8M total claims
and adjusted just
552k claims



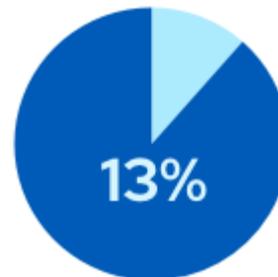
Drilling down to evaluation and management (E&M) claims by professional providers, we:



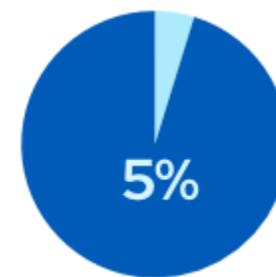
Identified 14% of providers who bill more than 50% of their E&M claims at level 4 or 5



Adjusted 7% of E&M claims across all levels



Adjusted 13% of level 4 and 5 E&M claims



Reviewed appeals for 5% of all adjusted E&M claims

SUMMARY

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 - We adjusted **7%** of all E&M claims

Thank You



BlueCross BlueShield of Tennessee, an Independent Licensee of BlueCross BlueShield Association

Appendix

EXPERT SPEAKER

J.B. Sobel, MD, MPH, MBA

- › Vice President, BlueCross BlueShield of Tennessee
- › Leading efforts to manage medical costs for our members and maintain clinical quality accreditations
- › Tennessee licensed physician
- › Board-certified in Emergency Medicine, Dr. Sobel has over a decade of experience in direct patient care
 - Fellow, American College of Emergency Physicians
 - Fellow, American Academy of Emergency Medicine

