



District School Board of Pasco County

20430 Gator Lane • Land O' Lakes, Florida 34638 • 813/794-2221

Heather Fiorentino, Superintendent


www.pasco.k12.fl.us

Department of Purchasing
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July 6, 2010

MEMORANDUM

TO: Honorable School Board Members

FROM: Kendra Goodman, CPPO, CPPB, Purchasing Agent 

SUBJECT: Contract for Medical Claims Overpayment and Recovery Service
MicroVu, LLC

As you know, the District has self-insured its medical program with Blue Cross/Blue Shield since January 1, 2009. An important part of the self-insurance process is to have an audit performed on the medical claims to assure that claims are being processed accurately.

Please see the attached detailed memo from Ms. Mary Tillman, Director of Employee Benefits, Assistance and Risk Management (EBARM). She is requesting Board approval of the attached contract with MicroVu, LLC. Per Florida Administrative Rule 6A-1.012(11)(a), the District is permitted to negotiate for auditing services of this nature. MicroVu will be paid a portion of the monies recovered on a contingency basis, so there is no out-of-pocket cost to the District for this contract.

We request Board approval of the MicroVu contract, so that EBARM can begin the process of auditing claims dating back to the beginning of our self-insured program. Please feel free to contact Mary Tillman or me if you have any questions or concerns.

KDG/az
Attachments



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DATE: June 21, 2010

TO: Kendra Goodman, Purchasing Agent

Mary H. Tillman

FROM: Mary Tillman, Director of Employee Benefits, Assistance & Risk Management

RE: MicroVu – Overpayment and Recovery Service

An important part of the process of being self insured for the medical program is to have an audit done of the medical claims to assure that claims are processed accurately. With assistance from Al Waters of Siver Insurance Consultants (Siver), our long-time District consultant, we reviewed several options for claim auditing.

Options include traditional audits that include a reviewing a sample of the claims or an electronic review of all claims. We reviewed proposals from several firms, including one from Siver which would have provided a statistical random sample rather than a full audit of all medical claims. As Manatee Schools has recently conducted a similar audit using Micro Vu, we discussed the company's qualifications and capabilities with Mr. Forrest Branscomb, Director of Risk Management at that District. Based on these factors we decided to engage MicroVu for medical claims services.

MicroVu is a recovery firm which performs reviews of paid medical claims, recovering and refunding the overpayments to self-funded employer health plans. The overpayment recovery service reviews 100% of paid claims, reviewing, recovering and refunding overpayments to the Plan. Leading causes of overpayments are improperly applied DRG of Case Rates, duplicate payments, and Coordination of Benefit errors. MicroVu specializes in the review and recovery of Medicare related overpayments for retiree plans. MicroVu estimates that the District will recover at least 1.8% of the total medical spend, which is approximately \$684,000.

With the assistance of Mr. Waters, favorable terms, conditions and pricing were negotiated with Micro Vu. Micro Vu is paid a portion of the recoveries as a contingency fee, so there is no out-of-pocket cost to the District. The reimbursement brackets reflected on page 2 of the Agreement were adjusted significantly to favor the District's retained portion of recoverable money.

Please ask the Board to approve this contract so that we may begin the process of auditing claims dating back to our initial self-insured date of January 1, 2009.

As always I appreciate your assistance and that of your staff during this process.