ALIVIA ANALYTICS™

Removing the Roadblocks in Healthcare Payment Integrity

An in-depth Q&A with
Alivia Analytics President and COO,
Alex Kormushoff

Get the actionable answers and achieve healthcare payment integrity, finally.
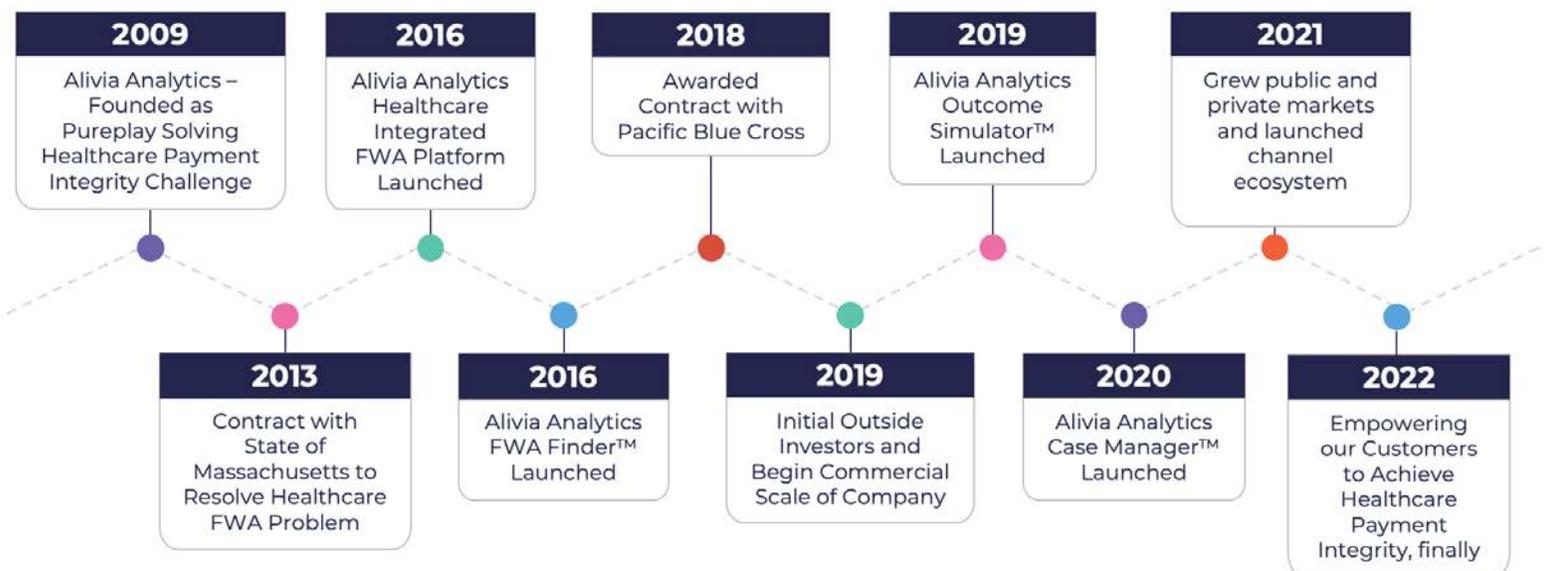
ALIVIA
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Q A

Why was Alivia Analytics founded? Tell us about the problems the company wanted to solve.

To understand the problems we solve, it's important to understand our history a bit. Our founder, Kleber Gallardo, spent decades in financial services—an industry that's all about speed, transactions, volume, and accuracy. Whether you're getting information down to the trading floor or analyzing a portfolio, these processes must happen at scale - at lightning speed - and at high volumes and with extreme accuracy. Kleber was the Founder and Chief Technology Officer for Bonaire Software Solutions where he created Revport, the number one billing system in the world for asset managers. The software, which is still in use today, processes over $11 trillion a month in billing —that's high volume and high accuracy.

When Broadridge Financial Solutions acquired Bonaire, Kleber was ready to put his learnings to work and solve another big problem. That's when he saw a parallel in healthcare information technology—specifically within payment integrity. There was a huge gap in processing complex, high-volume data and Kleber knew exactly what needed to be built. And Alivia Analytics was born – purpose-built to address the need for accurate data, delivered fast, to solve the healthcare payment integrity challenges.

OUR JOURNEY

2009
Alivia Analytics – Founded as Pureplay Solving Healthcare Payment Integrity Challenge

2013
Contract with State of Massachusetts to Resolve Healthcare FWA Problem

2016
Alivia Analytics Healthcare Integrated FWA Platform Launched

2016
Alivia Analytics FWA Finder™ Launched

2018
Awarded Contract with Pacific Blue Cross

2019
Initial Outside Investors and Begin Commercial Scale of Company

2019
Alivia Analytics Outcome Simulator™ Launched

2020
Alivia Analytics Case Manager™ Launched

2021
Grew public and private markets and launched channel ecosystem

2022
Empowering our Customers to Achieve Healthcare Payment Integrity, finally
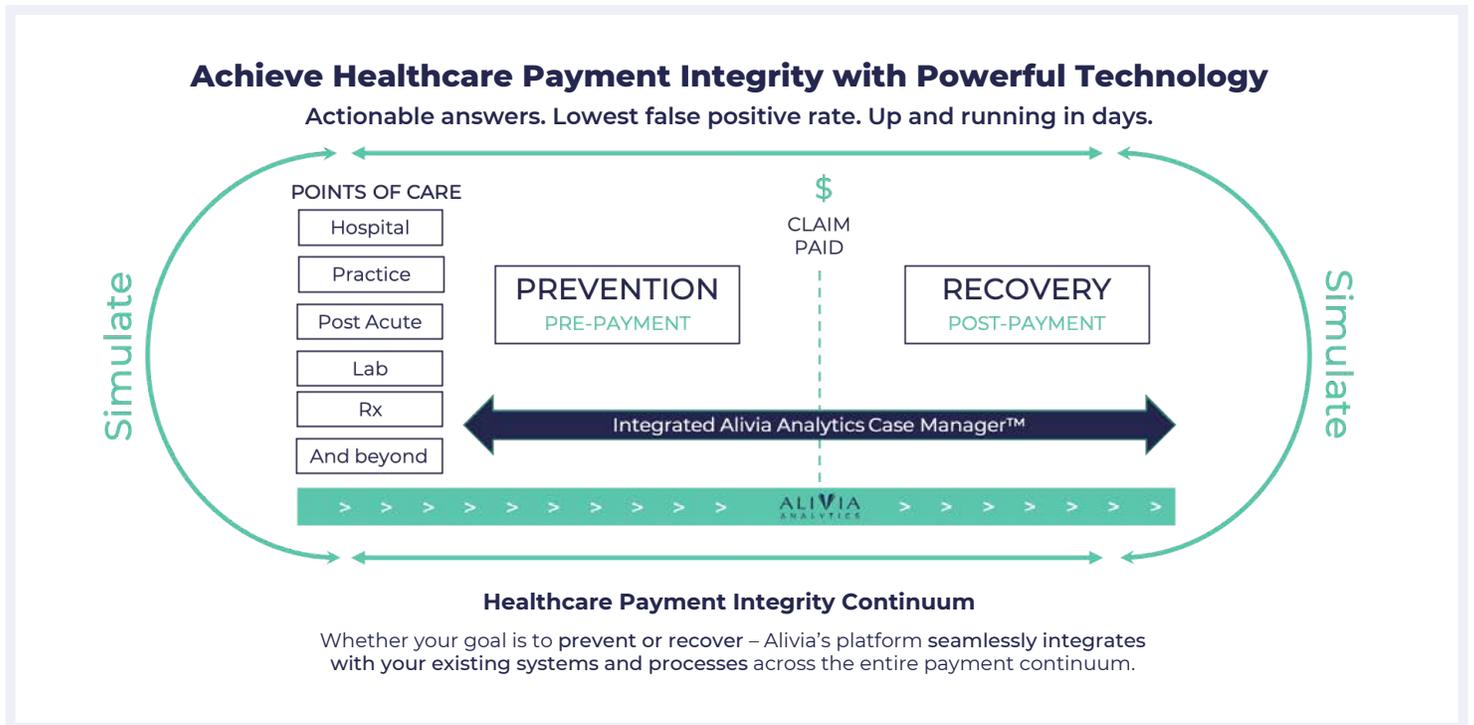
Q&A

You talk about Alivia Analytics being "purpose-built." What does this mean and why does it matter?

Because of Kleber's unique expertise, Alivia Analytics was built from the ground up—we call it purpose-built—to solve the healthcare payment integrity problem.

There are different ways to build a data analytics platform. Some large platforms on the market today have been built through a series of acquisitions – they weren't necessarily built to solve the healthcare payment integrity problem. They often end up cobbling together disparate tools, custom code and can many times take years to implement.

Purpose-built is the Alivia Analytics way - it's ubiquitous, seamless and end-to-end. This means the solution works across business users and technology environments, ingests and cleanses data thoroughly and showcases it to the end user in a format that allows them to act. Our technology platform is going after this $900 billion fraud, waste, and abuse problem by transforming mountains of data into actionable insights for every person who touches healthcare payment integrity.

Achieve Healthcare Payment Integrity with Powerful Technology

Actionable answers. Lowest false positive rate. Up and running in days.

POINTS OF CARE

Simulate

Hospital

Practice

Post Acute

Lab

Rx

And beyond

$
CLAIM PAID

PREVENTION	RECOVERY
PRE-PAYMENT	POST-PAYMENT

Integrated Alivia Analytics Case Manager™

ALIVIA ANALYTICS

Simulate

Healthcare Payment Integrity Continuum

Whether your goal is to **prevent or recover** – Alivia's platform **seamlessly integrates with your existing systems and processes** across the entire payment continuum.

Q

What was important to you as you were building Alivia Analytics?

A

We're passionate about solving the payment integrity challenges in healthcare. Improving payment integrity and provider abrasion helps everyone: it helps the payers, it helps the providers, it helps the patient. There's a $900 billion FWA problem in the U.S. alone. Our mission is to trim that back by several hundred billion dollars and free up that money for solving other important healthcare problems. We are firm believers that business users are under-served by the analytics world, especially in health care. We see it time and again – no shortage of dashboards and data insights, but a lack of answers and actionable data. Business users need answers.

In many cases, the CEO receives one set of reports, the payment integrity manager receives another set of reports, and the investigator sees yet another set of reports. How can you efficiently run the ship? We built our software platform to work across all these user types, in a seamless way. The Alivia Analytics Case Manager™ provides consistent and accurate views for all members of the team – and it's fully integrated.

We believe that making data accessible to the right people when they need it creates exciting opportunities for organizations. The business user is begging for accurate and real-time analytics the way they need to see it. We have built the Alivia Analytics Payment Integrity Platform™ of products with deep data science, supported by advanced AI and Machine Learning. To us, technology is an enabler. Our software platform gives the people using it faster access to accurate data—delivering very powerful insights to the business user while also providing robust capability for the analytics expert.

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Q

What are the biggest roadblocks you see healthcare payment integrity leaders and investigators experiencing today?

A

I see a few key themes in the roadblocks experienced by our customers.

1. **The erector set challenge.** Technologies that are being applied inside of healthcare today are sometimes legacy systems that could be several decades old. And, more modern solutions often resemble an "erector set"— where the payer must pull different products off the shelf and stitch them together to create a solution to healthcare payment integrity problems. As I mentioned earlier, Alivia Analytics is purpose-built to solve the healthcare payment integrity challenge. With the erector sets, that's a lot of sweat equity, custom coding and expense for outcomes that are not always what the customer hoped for, which can be disappointing.

2. **Mountains of data.** No matter how sophisticated organizations are or who the user is, they share a common problem: they have different types of data all over the place. One of our customers described the problem as "mountains of data," which seemed insurmountable to get their arms around. Because of the complexity of healthcare and disparate systems, the "mountains of data" come in lots of different formats: they span legacy databases, government data, massive Excel files, paper records, PDFs, social media data, and more. Trying to harness all that information is a huge effort—requiring lots of time, money and effort – and it's been impossible to solve, leaving most payers frustrated as they try to get the answers they need. Most claims data sit in old legacy formats, which can be hard coded and it's challenging to get information out, often requiring an interaction with the IT department, which takes even more time and resources.

3. **Workflows that don't flow.** When we built our software platform, we said, "Let's give people the actionable data they need for the way they work." The audit and investigation processes are often lengthy, expensive, and often disconnected from the data and other workflows and teams. That was the impetus for building the Alivia Analytics Case Manager™ module. We saw the need to deliver communication and data views seamlessly between teams and individual users. The module provides incredible efficiency because everyone can be working on the same information in real-time. And we mean every user in an organization: business leaders, the technical users, the investigators, the billing experts, and beyond. Until now, achieving seamless case management was something customers wished for – we've made it a reality.

When we looked at the problems the market was facing, we saw a different way to achieve the solution. We decided it was time to crack the code on how to ingest all this healthcare claims data dynamically at speed, at scale, and feed it into our analytics engine to give all users the answers to do their jobs efficiently. Our software does the work and fits into how our customers work, making it integrated and efficient.

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What is broken in current workflows and tools used to pursue FWA?

Many of today's workflows evolved over a long period of time—decades, in many cases. The workflows are complex and fragmented with layers of legacy technology surrounding them. Additionally, data is hard, dirty, in-the-weeds work. Most organizations struggle to put data to work for them without a big effort to get the data into an actionable format. Even modern tools lack the ability to integrate disparate data sources. Fragmented systems can make it nearly impossible to find, collect, merge and prepare the data for business use. The goal of data is to give people answers they need in the view that is right for them, but with disparate systems and manual processes, it has not been easy.

Think about it this way - I can have a great car, but if I don't have the right fuel when I need it, I can't go anywhere. Fast, accurate data ingestion and cleansing are the fuel for a truly actionable analytics solution. If you don't do the important work of data cleansing and ingesting across all formats, you won't give people the answers and value they need out of your tool. Casey Ross wrote an article in The Boston Globe newspaper (March 10, 2021 edition) and said it like this: "The unglamorous back-end work is the first and most important step to creating a meaningful AI-powered platform to help mine the data for useful insights." We couldn't agree more and, not only have we cracked the code on this issue, but we have automated this process so we can deliver this robust power to our customers fast and at scale.

Additionally, many large platforms working to address healthcare payment integrity have been built by bigger companies through a series of acquisitions of disparate tools. This is the erector set problem I mentioned before. For these platforms to really work in organizations, they require additional services and a lot of custom code. They can take years to implement and get off the ground to even begin to bring value to an organization. That is all a massive opportunity cost to the customer.

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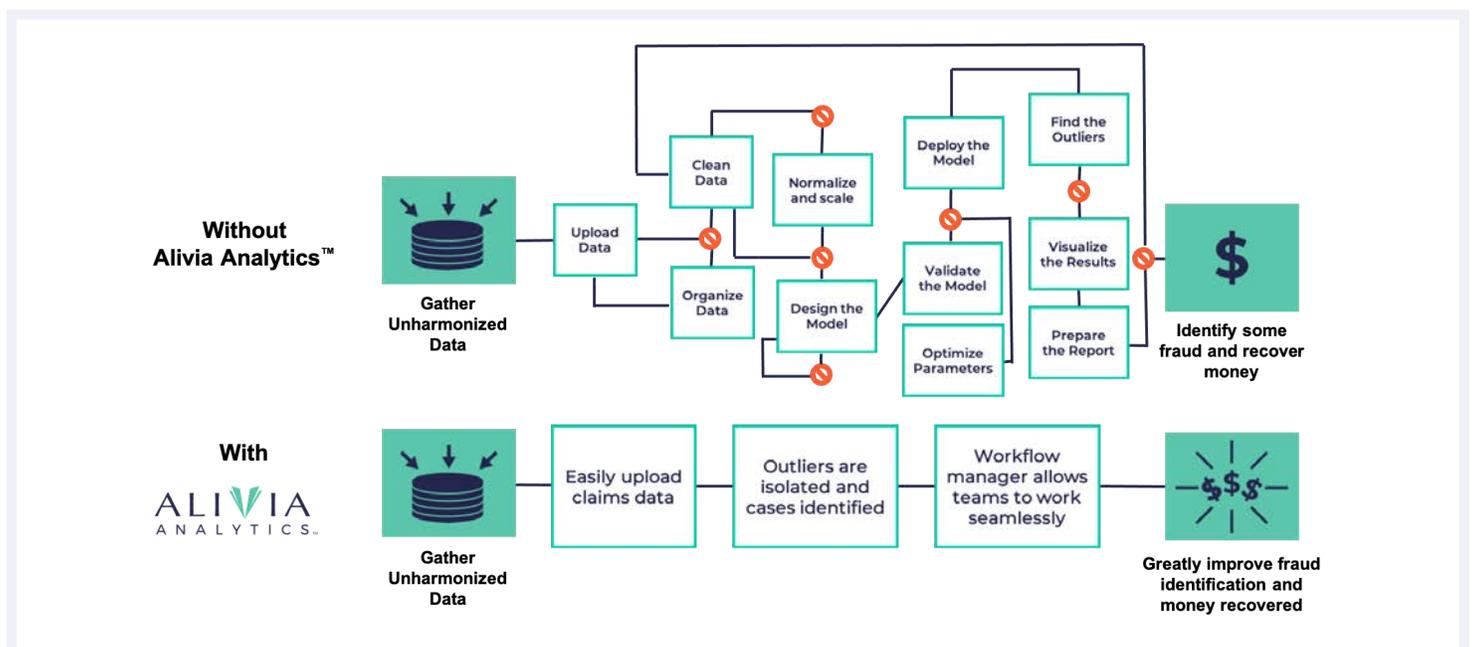
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AI can be a big buzzword. How can healthcare payment integrity leaders think about integrating the power of data and AI into their workflow?

A

It's easy to get excited, and many times confused, about the technology – we hear terms like AI, machine learning, algorithms and big data thrown around a lot in the industry. As a business user, I want to know that the system is giving me incredibly accurate outcomes, meaning false positives are almost nonexistent. I don't want to pursue cases that turn out to be wrong. If I'm chasing 25 false positives out of 100 cases, I just wasted 25% of my time and created provider abrasion.

To us, technology is the enabler, not the destination. As a business user, whether I'm an executive, a manager or an investigator, I want to get my data fast and my answers even faster. I want the system to be ready when I am ready. I want to be able to pull what I need to do my job and deliver accurate outcomes in real-time—without having to go through the lengthy process of requesting and provisioning the data. I want to know which cases to work on—the right cases —that reduce FWA with minimal provider abrasion. I want this process to be fast, accurate, easy, and efficient.

With the right technology, people at all levels of the business can make more informed decisions and achieve their payment integrity goals. That's what we're all about: the right technology to enable the right data to enable the right business decisions - quickly and accurately!

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What advice would you give SIUs and FWA professionals looking to achieve healthcare payment integrity?

There's lots of best practices and advice swirling out there as people look for the right solutions. One big gotcha we see our customers grappling with is that there are lots of tools built on acquisitions— technology and services that are cobbled together as companies merge. But, it doesn't mean you'll get an integrated platform, nor is it an automatic win. It's important to make sure you know if you're getting an erector set or something purpose-built for the problem you're trying to solve. It will save you time and money.

On that note, it's critical to think about the time to implementation. Say you're evaluating two solutions that each cost $100,000. If one can get up and running in three months and the other takes 18 months, that's a dramatically different price tag in reality. In addition to the real cost of implementation, what's the opportunity cost with the latter? If you are spending money on a system, every month you can't use it means your payment integrity problem is just getting larger while you wait. And what about ease of use? Do you need to call your vendor to implement changes (at a cost), or is the system easy for the user to make modifications? These are all important considerations as they add up in terms of time and money.

Let's face it – every tool requires some set-up. But, we wanted to do it differently. So, we listened to what our customers wanted and heard about the complexities and time spent on implementation. We built our solution to reduce set-up time and configured our software platform to solve the problem out of the box. Our implementation process is focused on your organization and how you work. This, along with our completely integrated systems and vast analytics library, allows you to get 90% of the performance that you need on day one. I know it sounds almost too good to be true, but these are real results. We do some fine-tuning over the first few months, but you don't have to wait to see value and immediate ROI.

The benefit of machine learning is that the system learns – it gets smarter all the time. Because we're focused entirely on FWA, the adjustments we make ultimately make our engine smarter for everyone. Once a data model is tailored, it starts to learn from itself. It's an incredible productivity gain for an organization.

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Q **Why don't most payment integrity solutions deliver on their promise? What goes wrong?**

A

It gets back to the purpose-built strategy. Many of the solutions on the market are applying analytics technology from different industries to healthcare payment integrity. Or they were built through a series of acquisitions and require a lot of custom code and professional services to get up and running. Not to mention the plethora of analytical tools that are not platform based and lack collaboration and support for your workflow. We talk to customers who have been burned by big promises that under-deliver.

At Alivia Analytics, we built our software platform from the ground up to be focused on driving better business outcomes – putting new power in the hands of our customers. It's all about getting actionable insights to the right people at the right time, in a format that they can use. The difference is making a sophisticated system that is usable and actionable versus one that is fragmented or difficult to implement with uncertain results.

> "As a steward of the billions of dollars spent for Medicaid, it's exciting to have data that we're so confident about. For the first time, there is an incredible level of comfort in the data - accuracy leads to credibility and believability. For us, long-term care audits have been manual and extremely resource-intensive and time-consuming. Based on our current quarterly audit process, we estimated it would have taken us 20 years to touch every facility. With the Alivia Analytics platform, what would have taken 20 years was completed in just a few hours. We were able to deliver digestible, actionable data to get the buy-in we needed to close the gaps and tackle long-term care audits in an impactful new way. We're excited to continue delivering tangible results with Alivia Analytics as our healthcare payment integrity partner."
>
> *- Dawn Mock, Medicaid Program Integrity Administrator, North Dakota Department of Human Services*

Q How can the Alivia Analytics platform help businesses not only reduce FWA but ultimately plan and forecast your business more intelligently?

A

We don't have a crystal ball, but we can deliver the next best thing – a way to forecast FWA. We call it simulation and it's the only technology of its kind in the industry. It's a powerful tool for business leaders who want to look ahead. Planning requires some certainty about what's coming up ahead. FWA forecasting has been tough to do until now. For example, predicting how a claims portfolio will perform next year and the year after and how that will affect a P&L – it's all about costs and outcomes.

Traditionally, this forecasting work has been done through disparate tools or Excel spreadsheets and it just didn't work. Business users can lack confidence in the outcomes these tools provide, because of skewed results from tool to tool and department to department. That's why we built the only healthcare payment integrity simulation software in the industry. We are giving our customers a way to transform how they run their businesses today, while delivering unprecedented precision in predicting tomorrow.

Alivia Analytics Healthcare Payment Integrity Platform™

FWA FINDER™	CASE MANAGER™	OUTCOME SIMULATOR™
Quickly identify the precise FWA to pursue	Efficiently track and manage cases	Simulate future business scenarios

> > > > > AI & Machine Learning > > > > >

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What are the trends you see in the market when you're out talking to customers?

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We are seeing an increased demand for accuracy. Speed is not enough. Our customers need to trust the data and be confident in the cases they pursue. We are also seeing an increased demand in collaboration and the move to prepay. This means a rise in audits and claims reviews. We pride ourselves on delivering the lowest false positives – enabling payers and providers to establish and cement trust. Spotlighting only the right cases of FWA ensures the payers are only reaching out when it's absolutely necessary.

Additionally, we recognize payment integrity is an education process between payers and providers. Often there is provider abrasion because providers can be unsure of the proper coding and billing processes, and payment integrity departments need to come alongside them and educate them. We see the Alivia Analytics Payment Integrity Platform™ as an enabler to this important educational process.

Lastly, we recognize the nature of changing infrastructure and cloud environments. Customers work across a variety of on-premise and cloud environments. We're built to work how you work: inside your organization, on a private cloud, on AWS, on Microsoft Azure – it's deployed the way you want it.

Achieving More Is Easy With Alivia Analytics

<1%	50%-80%	10X
False Positive Rate — Lowest in the Industry	**Decrease in Cost Per Case**	**More Case Volume Capacity**

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How do you see the move from recovery to prevention impacting how payers tackle the payment integrity problem?

Moving from recovery to prevention is something we've anticipated. Recovery is only one leg of the stool. Payers stopping FWA before it happens, ultimately means fewer resources spent on the lengthy and complex process of recovery. Just like the other processes in payment integrity, effective prevention requires the right data – data that allows you to act fast and with certainty. We're excited to give payment integrity leaders a new leg of the stool – the ability to move across different business problems like prevention or recovery using the same underlying engine and the same data set.

ACHIEVE ACTIONABLE ANSWERS

PREVENT
Stop FWA before it starts.

RECOVER
Pursue the right cases faster.

SIMULATE
Forecast future business scenarios.

Healthcare Payment Integrity Continuum

> > > > > AI & Machine Learning > > > > >

Q A

How has Alivia Analytics helped customers solve their payment integrity challenges?

We're proud of the tangible results. We've enabled organizations to exponentially increase what they can accomplish, without hiring or adding other resources. We know these organizations are working with tight budgets, so every bit of time and money we can save is very meaningful. A perfect example is our work with Pacific Blue Cross. We helped them shrink their time to recovery from twelve months to three months, all while maintaining a false positive rate of less than 1%. It's exciting to give our customers the power to achieve healthcare payment integrity, finally.

> " I'm constantly on the lookout for new technologies that solve healthcare payment integrity challenges. When I saw the Alivia Analytics platform, I was immediately impressed. In a matter of seconds, I could put myself in the shoes of an investigator, auditor or business executive and see the ability to access the right data quickly. Their user-friendly interface instantly surfaced accurate and actionable information, and we started seeing ROI immediately. Alivia Analytics is leading the industry with a combination of speed, accuracy and efficiency and I'm excited to continue to achieve results for our program integrity unit. "
>
> *- Dale Carr, Director, Missouri Medicaid Audit & Compliance (MMAC)*

About Alex Kormushoff

Alex Kormushoff is the President and COO of Alivia Analytics. In his role, Alex is responsible for all business operations including Sales, Marketing, HR, Finance, and Legal. He has spent 30+ years as an operator with deep analytics and healthcare experience. Prior to joining Alivia Analytics, Alex was the President of SHP Data, a leading healthcare data analytics company. He also served as SVP of Global Operations for SPSS, a $300M Predictive Analytics Company, which was acquired by IBM, and was Managing Director for Accenture Health and Public Service Analytics.

About Alivia Analytics

By turning mountains of data into actionable answers, Alivia Analytics does the heavy lifting – delivering the accuracy, confidence and speed you need to solve your health care payment integrity challenges. By putting powerful, easy-to-use, advanced technology into the hands of payment integrity business leaders and experts, Alivia Analytics empowers you to go beyond recovery to prevention and simulation within days. Get ready to achieve more with Alivia Analytics.

Ready to achieve healthcare payment integrity, finally?

So are we. Take the next step and **schedule a demo** to see how Alivia Analytics can get you the actionable answers you need within days.

LET'S CONNECT

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