



Minnesota DHS/MNIT

Claims Editing System Assessment

January 30, 2026 - Final

This report contains not public data as classified by the Minnesota Government Data Practices Act, including security information, trade secret information, and auditing data. For ease of reference and protection, not public information is highlighted throughout the document. Improper disclosure of such information could jeopardize the State's ability to safeguard tax payer funds from fraudulent actors.

Executive Summary

The following assessment is provided to the State of Minnesota Department of Human Services (DHS or State) as part of the Program Integrity (PI) initiative Optum has undertaken. This Claim Editing System (CES) Assessment evaluates the potential impact that timely and accurate PI technology can have on DHS' operations and financial outcomes. Using DHS' paid claim data, we provide an in-depth analysis of the Medicaid line of business showing edit categories, their impact, and return on investment. This analysis identifies additional claim edits above and beyond the current editing process that may be in place today. It also quantifies the potential savings opportunity. By using actual paid claims data for the analysis, the results clearly reveal opportunities to uncover incremental savings and areas for improvement.

Preliminary Results

Minn. Stat. 13.37 (Security/Trade Secret Information)



Expected Outcomes

- Clear identification of clinical editing opportunities
- Measurable estimates of potential savings
- Alignment of editing results to determine which are applicable to Minnesota Medicaid
- Pinpoint vulnerabilities in claims editing and policy enforcement, identify opportunities for improvement, and identify preliminary ROI

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Introduction

This assessment uses the Optum Claims Editing System (CES), however is a scalable, fully automated platform that enhances claims accuracy and financial performance by combining advanced technology with robust clinical and correct coding content developed by experienced clinicians. It supports both facility and professional claims, delivering comprehensive national Medicaid edits and state-specific Medicaid edits aligned with CMS, AMA, NCCI, and specialty society guidelines. Examples of Minnesota Medicaid edits include but are not limited to Medicaid Missing Required Modifier, Medicaid Pend For Review of Documentation, Medicaid ESRD Frequency of Billing, and Medicaid Non-Covered Service. The CES Assessment differs from the Vulnerability Assessment since the Vulnerability Assessment was done based on a Minnesota policy review. CES helps organizations stay current with evolving regulations through continuous monitoring of federal and state updates, including NCD/LCD changes. With certified coding experts providing interpretation, state-level SME guidance, and rigorous quality assurance, the solution helps ensure precise, compliant edits. The platform's Application Managed Services further improve ROI by increasing automation and delivering consistent, accurate claims editing at scale.

Approach

Purpose of the assessment

CES is a full-scale claims editing technology that can automatically review claims and quickly identify coding errors as well as billing issues with the State's custom reimbursement policies. For this CES Assessment, we processed the State's paid claims data through a state-specific ruleset which includes national Medicaid and Minnesota edits.

Assessment Value Story

By analyzing your paid claims data, we were able to identify possible incremental lift to your current editor, either as a replacement or a second pass editor.

Data used

Minnesota IT Services (MNIT) extracted data from EDW-DW system, fee for service paid claims file and sent data to Optum for analysis. The data utilized is not ODS pre-payment claims within the warrant cycle system data.

Date range: June 2025 - November 2025

This analysis is not limited to the 14 high risk programs that are being evaluated in the vulnerability assessment & pre-payment analyses.

Assessment Preliminary Results/Report (Findings)

Optum has developed a value story that illustrates the incremental lift in savings achievable beyond DHS' current editing capabilities. While the preliminary findings are accurate from a coding perspective, Optum acknowledges that DHS may have unique policies or unpublished data that influence final results. Through an iterative and collaborative review process, Optum works with stakeholders to identify where projected savings may be overstated or understated, supported by detailed annotations on high volume findings and representative claims examples. Following this review, Optum refines the analysis and delivers a final report for consideration. Based on prior experience, the final results typically vary no more than 3–5% from the preliminary assessment.

Excel Spreadsheet

See *Excel document* for full details of the preliminary results; *final results will be iterative based on collaboration with the State.*

The Excel spreadsheet includes ten tabs that have been explained below:

- I. **Cover**
- II. **Executive Summary** - highlights the value story of data received and savings opportunity
- III. **Reporting Categories**

CES Assessment Edit Reporting Categories

Minn. Stat. 13.37 (Security/Trade Secret Information)

[Redacted content]

[Redacted text block]

[Redacted text block]

[Redacted text block]

- [Redacted list item]
- [Redacted list item]
- [Redacted list item]
- [Redacted list item]
- [Redacted list item]
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- [Redacted list item]
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CES Assessment Reporting Assumptions

Minn. Stat. 13.37 (Security/Trade Secret Information)

[Redacted content]

Next Steps

Optum has delivered the preliminary CES Assessment report, and DHS will review it and return the requested claim examples associated with the selected clinical edits, with no more than ten claim examples provided per edit.

To support the iterative review, collaboration, and follow-up discussions, the State will first evaluate the notes for the professional, outpatient, and inpatient results, along with the corresponding claim examples. Following this review, the State will provide Optum with feedback identifying which results are validated and which should be removed. As requested, Optum will also address any sourcing or reporting questions related to the top five high-volume edits.

Once Optum incorporates the State’s feedback and delivers the final report, the CES Assessment will be considered complete. Any additional revisions or further analysis beyond this point will require new contractual arrangements.

Conclusion

The CES preliminary report (Excel file) was shared with the State on Thursday, 1/15/2026.

The State has committed to reviewing the requests and will return any clinical edits for which additional claim examples are needed. Upon completing its evaluation, the State will provide feedback regarding any recommended removals, enabling Optum to produce a final report that has been thoroughly reviewed and collaboratively approved.

The final report will be delivered in an updated Excel format, accompanied by a PDF snapshot of the Power BI dashboard for presentation purposes; however, the dashboard itself will not be distributed.
