

Mr. Chairman, Senators, Ladies and Gentlemen:

I am Guy Amisano, Founder and CEO of Salient Management Company. Thank you for the opportunity to show you today how a new technology can have a direct impact on New York State's capability to monitor and control Medicaid spending.

Salient Management Company was founded in 1986 in Elmira New York. Salient's business is helping high transaction volume businesses and government see more precisely where their spending goes and the outcomes that were obtained in return. The benefit is more efficient operation and less wasteful spending

Our solution has spread around the world. It is in use by more than 35,000 people and many types of businesses on six continents. Salient has become known in New York State counties, with 13 counties using the software, 12 of them for Medicaid oversight and a number of them for Social Services case management.

Recently, Salient has been contracted by the Office of the Medicaid Inspector General. We expect to have our Medicaid Oversight solution in service there by June of this year.

Salient became active in the public sector in 2005, as a direct response to Chemung County Executive Tom Santulli's call for solutions to the challenges presented by the Medicaid program.

As Mr. Santulli has illustrated, Medicaid is an enormous public service enterprise. But it isn't just large, it is amazingly complex. Over the past 5 years the State's computerized payment system processed nearly 2 billion medical transactions with more than 200,000 providers covering more than 9 million individual recipients. Each transaction contains more than 190 data fields – and they're all important.

Moreover, all this complexity is multiplied by the particular nature of fraud schemes, which comprise many transaction records, may be impervious to linear algorithms and manifest themselves chiefly in odd patterns and trends that only human eyes can distinguish.

The biggest problem, therefore, is visibility. The complexity of medical transactions and the sheer number of details in the Medicaid system overwhelms the capacity of traditional analysis systems and limited staff to monitor and control miscreant behaviors. If you will allow, the devils – waste, fraud and abuse – are in the details, and they are nearly invisible.

The need is to greatly increase visibility and thus, capacity for oversight.

There are two parts to Salient's solution: The first is enabling individuals to "peel the onion" hundreds to thousands of times faster, to move at stream-of-thought through large scale data summaries to subsets of outliers and ultimately, to the evidentiary details that expose the causal linkages between unique activities and their outcomes.

The second part is to greatly increase the number of existing staff who can explore data for themselves, each using his or her unique intuitive powers to explore, discover and diagnose out of line trends and patterns.

Salient provides a technology solution - a more advanced form of intelligence processing system that has been described as “Visual Data Mining” by in a seminal work by Dr. Pak Chung Wong of the Pacific Northwest Laboratory. Visual data mining is software especially designed to merge the computer’s capacity for number crunching with human ability to explore by intuition and to discern patterns and trends among data. Here are excerpts from Dr. Wong’s work, used with permission:

“... The (visual data mining) approach integrates the human mind’s exploration abilities with the enormous processing power of computers to form a powerful knowledge discovery environment that capitalizes on the best of both worlds...”

The methodology is based on both functionality that characterizes structures and displays data and human capabilities that perceive patterns, exceptions, trends and relationships...”

But speed and simplicity are concepts that must be observed to be believed, so please allow me to introduce our subject matter experts, Susan Lepler and Lisa Dunn.

Today they will conduct three Investigation exercises that will illustrate the value of visual data mining software to support government oversight of large and complex public services such as Medicaid.

- Are pharmacies dispensing brand name drugs when generics are available and acceptable to the prescriber?
- Is the emergency room being used for primary care?
- How far away is the neighborhood drug store?

About the presenters:

Susan Lepler is the Principal Advisor for Salient’s Public Sector Team. She has dedicated her career to improving the quality, efficiency, and effectiveness of health and human services. She brings over two dozen years of experience to Salient – having previously served as a consultant to state and local governments and worked for NYS government in both policy and budget positions.

Lisa Dunn is Senior Advisor for Salient’s Public Sector Team. Lisa brings to Salient 20+ years of government social service experience, with her most recent post being a Medicaid Fraud Specialist for Monroe County. She became a power user of Salient, using our Medicaid solution for both program integrity and quality improvement purposes. She liked Salient so much that she joined the company.