

Medical and Rx Claim Audits are Budget Friendly



When major employers choose to self-insure their employees, considering health plan auditing and **PBM RFP consulting** should be viewed as a strategic investment. Each audit typically yields savings that exceed the cost. Audits also uncover recurring issues in claim processing that, once addressed, can boost profitability. Consequently, more organizations are conducting audits more often and achieving enhanced outcomes. Recent advancements in technology and human evaluation have significantly improved both precision and cost efficiency. Encouragingly, these improvements continue to advance.

The number of independent claim auditing firms has grown as the industry becomes more specialized, tapping into the knowledge of professionals with claim administration backgrounds. Traditional auditing focuses on financial figures, but medical claim auditing is a hybrid that requires both numerical analysis and expertise in complex medical coding. Unexpected events, such as the coronavirus pandemic, can strain these systems and increase the risk of errors. Audits conducted shortly after such events can help identify and correct expensive mistakes. The sooner errors are caught and corrected, the better.

Regulatory and compliance aspects of claim audits have always existed, but have often been eclipsed by the focus on cost savings. Today, plan sponsors proactively schedule audits to oversee claims managed by third-party processors. Performance guarantees are only meaningful if they are fulfilled, and audits provide the necessary verification. Audit reports have also become clearer and more user-friendly. Now, it is common to electronically review 100 percent of claims, which is a more effective approach than traditional sampling. Modern claim audits have ushered in an era of greater accuracy and value.

Medical and pharmacy claim audits attract the most attention due to their larger financial impact, but oversight benefits all types of benefit claims. Vision care plans, for example, have unique requirements and data to review. These audits can be conducted alongside health plan reviews or separately at another time. Well-managed plans involve sponsors who regularly monitor claim payments for accuracy. Accurate claim administration enhances member service and ensures fair treatment for all. Ultimately, audits provide numerous valuable opportunities for improvement.