

Health Plan and Rx Claim Auditing's Many Benefits



Mistakes in medical billing and claims processing cost millions of dollars each year. As a result, both corporate and nonprofit employers that self-fund their plans are turning to health plan auditing services for oversight – and they must also be careful when negotiating new agreements. Therefore, claim administration and **PBM RFP consulting** are crucial. Mistakes in medical billing and claims processing cost millions of dollars each year. With PBMs and medical claims processed by third parties, sponsors increasingly depend on audits as a safeguard. Independent oversight is always essential.

Unexpected events, such as the coronavirus pandemic, can lead to sudden increases in utilization and claim expenses. Audits play a crucial role in examining claim payments and identifying recoverable overcharges or erroneous payments. Careful management is irreplaceable, and frequent audits have become the norm for many sponsors. Medical practices and healthcare providers also gain from audits by ensuring accurate coding and billing for all services delivered. Given the complexity of health plan claims and payments, reviewing 100 percent of a plan's claim payments is essential.

Medical and prescription costs rise each year, and analyzing where increases occur provides valuable insight. This data helps when negotiating future rates and fees with providers. Negotiations are stronger with facts, and sponsors who rely on information consistently achieve better outcomes. Audits can also enhance member service in several ways. Most importantly, they help ensure every member is treated fairly and equally. Regulations for self-funded plans require that every dollar be used wisely and for the benefit of all members. Fiduciary responsibilities are increasingly being taken seriously by health plans.

Running audit software continuously in the background is now a common strategy. The cost of this service is usually lower than the amount it recovers. Promptly catching errors leads to fewer refund disputes and simpler negotiations. Infrequent audits and attempts to recover old overpayments often result in lengthy, complex processes. Plans with ongoing monitoring performed better during the coronavirus pandemic, making timely adjustments and avoiding difficult recoveries later. There is no substitute for ongoing oversight and monitoring (and management) of claim payment irregularities.