

In the Spotlight: Benefit Plan Claim Audits

In the business world, cycles are a common theme, and the post-pandemic landscape is likely to see employer-funded health plans taking a firmer stance on benefit claim payments. Many of these plans are now teaming up with auditing firms to run a medical and **PBM audit** to review payments processed by third-party vendors. Since most self-funded plans rely on these external companies for processing claims, it's only natural that there would be some level of oversight required. However, recent lawsuits by major plan sponsors against their processors have highlighted potential irregularities in this system.

The goal has always been to ensure claims are paid accurately. Independent audits are essential to verify this commitment. Outsourcing has its advantages; large health plans often have access to extensive provider networks, negotiated rates, and processing infrastructures that can lead to cost savings. The complexity of medical billing introduces numerous variables, especially for large plans dealing with high volumes of claims. Relying solely on processors to catch and report mistakes poses risks. By employing auditors with expertise in claim payment reviews, plans can quickly review their claim payments.

It's important to remember that achieving accuracy one year doesn't guarantee the same success the following year. The medical field evolves with new services and medications being introduced, while some costs drop and others surge. The dynamic environment means that all parties are required to reassess their methods and expenses. For corporate employers accountable to shareholders and analysts, maintaining budgetary constraints is critical. When unexpected costs arise, explaining them thoroughly is vital. Reports generated by claim auditors provide insights to help clarify these situations.

Today's best practices involve checking 100 percent of claims, a vast improvement that enhances accuracy and reduces mistakes. With ongoing advancements in auditing software and systems, this can now be done efficiently and affordably. What was once just a regulatory or compliance task has transformed into a management opportunity. For companies self-funding their benefit plans, effective oversight mitigates significant financial risk, ultimately giving them greater control and peace of mind. Double-checking claims after outsourcing the processing isn't just wise; it's necessary.