

# Claim Audits Give Health Plans a Tune-Up

Employer-funded health and pharmacy benefit plans stand to gain significantly from thorough **medical claim auditing** that covers every payment made. It's uncommon for third-party claim administrators to manage thousands of claims flawlessly. One advantage of audits is addressing the systemic processing errors that arise repeatedly across multiple claims. Correcting these issues can result in significant cost savings while also enhancing service for members. The process of adding a plan to an administrator's system involves countless details, and only an exhaustive audit can ensure everything is set up correctly.

Many in the industry are familiar with the routine audits that provide financial benefits; they are budget-friendly and serve as practical management tools. However, if you glance back a bit further, you'll see a stark contrast to the labor-intensive random-sample audits that used to dominate the scene. Over the last two decades, advances in audit technology have revolutionized the process. Once primarily an ERISA or Sarbanes-Oxley compliance concern, auditing has transformed into a vital financial and management opportunity. Nowadays, every plan sponsor recognizes the advantages of conducting regular audits.

With rising medical costs and tight budgets, managing a health plan often feels like walking a tightrope. The savings uncovered through audits can influence year-end financial outcomes, sometimes making the difference between staying within budget or exceeding it. Plans that operate without regular oversight, relying only on sporadic audits, expose themselves to various controllable variables. Those who have initiated an audit and reaped the rewards firsthand know just how transformative this process can be. This experience is why many plans choose to have continuous monitoring of their claim payments.

In recent years, independent auditing firms specializing in claim reviews have brought valuable insights to the table. With expertise in auditing and claim administration, these firms are equipped to create and manage systems that conduct electronic reviews, surpassing the capabilities of conventional, financially oriented software. As health and pharmacy plan sponsors increasingly tap into their specialized knowledge, they find it hard to accept anything less in future audits. Each year, these systems advance, operating more efficiently and with reduced oversight, creating a win-win situation on essential levels.

