

Health Plan Auditing Details Explained

In the past, claim audits were often viewed as merely another regulatory requirement to fulfill, but that's no longer the case. Nowadays, healthcare claims and **PBM audits** are seen as a strategic tool for managing a significant expense for both companies and nonprofit organizations. This shift in perception is due to advancements in audit techniques, which now scrutinize each claim, identifying errors and reviewing every single payment made. For plan sponsors, it has opened a new level of oversight, making it easier to hold third-party administrators (TPAs) and pharmacy benefit managers (PBMs) accountable.

It's an unfortunate fact that medical costs have been on the rise for decades and show no signs of slowing down. To alleviate some of the financial burden, many large employers turn to self-funding their health and prescription plans. However, this method only proves effective if the claims are processed accurately and thoroughly. The top claims auditors in the field often specialize solely in auditing medical and pharmacy claims, bringing a wealth of knowledge from the healthcare sector. Their expertise enables them to examine each payment meticulously, a far cry from the approach of generalist auditors.

An emerging trend among self-funded plans seeking greater control is the implementation of continuous monitoring services. With the ability to generate monthly reports, plan managers can closely monitor their TPA and PBM operations, pinpointing mistakes down to the individual claim level. Such detailed oversight not only protects the organization financially but also ensures that all members receive fair treatment when claims are paid accurately and promptly. If payments are incorrect, it can benefit some members over others, leading to unfairness and a failure to fulfill fiduciary responsibilities.

Another essential consideration in this process is the independence of your claim auditor. When an auditor exclusively represents your plan's best interests, you can trust their findings more. Moreover, when oversight is present, it tends to enhance the performance of TPAs and PBMs, as they will work harder to ensure accuracy. Those who excel in their roles often view audits as validation of their work. Because every claim is reviewed, the data generated is highly reliable. Regular audits are vital for effectively managing your plan and controlling costs associated with covered services.