Audit Medical and Rx Claims to Monitor Costs

The employer-funded health plans of large organizations have oversight needs when third-party administrators (TPAs) and pharmacy benefit managers (PBMs) handle claim processing. Therefore, frequently running a TPA and **PBM audit** is essential. This scenario has increased the need for healthcare auditing firms, which assist sponsors in overseeing their processors. While it is true that most claim administrators today perform with remarkable accuracy, achieving error rates that fall into the low single digits, there remains a vested interest for health plans to identify and recover any overcharges.

In an era marked by rising costs and the lessons learned from the COVID-19 pandemic, finding savings has become a top priority for every health plan. The imperative for cost containment necessitates a multifaceted approach. Additionally, accurate claim payments play a crucial role in member service, ensuring that all members are treated fairly and consistently. Adhering to plan provisions is essential for improving performance, managing expenditures, and providing high-quality service to the members. Without auditing and reviewing payments, sponsors can only rely on reports from claim administrators.

Selecting the right claims auditor and fostering a long-term partnership can yield significant results. A knowledgeable auditor will become familiar with your plan and provide consistent reporting, enabling you to analyze trends over time regarding costs, error rates, and other details related to claim payments. It is also wise to conduct implementation audits when transitioning to a new TPA or PBM. The initial setup is crucial, as accurate configuration of the plan according to its provisions influences claim payment accuracy. A review of their work after three months provides valuable insights.

A recent development in the realm of claim auditing involves the ongoing monitoring of payments. Ongoing assessment serves as a management tool for employer-sponsored health plans, strengthening their position regarding processors. Continuous oversight is also cost-effective, as the expense of such services is typically less than the recoverable errors identified. By maintaining control over claim processing and payments, organizations can prevent mistakes that

require corrective measures. This proactive strategy enables effective cost management in a rapidly evolving healthcare landscape.