

Technology Drives Claim Auditing Improvements

Reviewing medical and pharmacy claims is crucial for large employers that self-fund benefit plans. With advances in technology, the value of running a medical and **PBM audit** has improved thanks to technological advances. Today, auditors can scrutinize medical and Rx claims electronically, catching errors that random sample audits might overlook. In fact, 100 percent of claims can now be checked against all possible mistakes. This thorough approach identifies current issues and provides valuable insights that can lead to systemic improvements, ensuring better claim administration in the future.

For plan managers who have entered the industry in the last decade, the old audit systems may seem outdated. The technological leaps we've seen in the past 10 to 15 years have enhanced accuracy while minimizing the need for human involvement. If you compare an old audit report with today's data, the difference is remarkable. Modern plan sponsors enjoy superior oversight capabilities, which is important since claims management functions are now outsourced — a choice often driven by financial benefits. Many leading audit firms are staffed by executives who have previously worked with large health plans.

Specialist auditors with medical claim administration experience possess a deep understanding of the intricacies and common pitfalls in the claims process. This expertise allows them to tailor their review software to focus on the most error-prone areas. In contrast, generalist auditors without specific medical knowledge might not be able to provide the same level of detail or insight. A well-programmed audit system that incorporates medical nuances can make all the difference between a solid audit report and one that falls short. The financial upside of comprehensive 100 percent claim audits is significant.

The potential recoveries depend on the size of the plan and its membership; however, the importance of oversight cannot be overemphasized. Employers invest heavily in employee benefits, making it essential to ensure that these funds are being utilized for medically necessary services. Today's audits can recover amounts up to four times their cost, presenting opportunities for all employers. Therefore, it's wise to shop around when selecting an audit firm,

taking the time to find one that aligns with specific needs. Ultimately, the goal is to ensure that every dollar spent on benefits is justified and wisely used.