Today's Claim Audits are Impressively Accurate

The value of medical claims and **PBM audits** lies in their accuracy, which is essential for identifying errors, overpayments, and potential fraud. When every claim is reviewed, the findings can be pretty significant. Many medical bills and pharmacy benefit manager (PBM) auditing services for large self-funded plans are highly accurate. The advancement stems from technological progress; audit software has seen continuous improvements. Initially, auditing relied on random sampling, but now a 100-percent review method is standard, ushering in a new era of accuracy and audit ROI.

In the early days, medical claim auditing focused primarily on compliance. However, as audit accuracy has improved, their role has shifted from mere compliance checks to a strategic management tool. As software for auditing advanced, many self-funded plans began outsourcing their claim payment operations, creating a pressing need for thorough oversight that auditors can provide. While some generalist firms may conduct claims review as part of their services, the leading players in the industry are specialized audit firms with more profound expertise.

Executives at companies and nonprofits appreciate the budget-neutral aspect of claim audits. The financial benefit makes them an easy choice from both a fiscal perspective and for enhancing member service. Most health plans come with detailed descriptions of coverage that, when adhered to, ensure members receive high-quality care. Effective management of plan components leads to improvements across the board, including enhancements in member service. Given that medical claim expenses can significantly impact a company's balance sheet and quarterly earnings, vigilant oversight is crucial.

Large medical carriers often act as third-party administrators (TPAs) for processing claims. Many TPAs tend to process claims according to their general protocols and may miss critical differences in specific plan descriptions. Audits are invaluable in quickly identifying these discrepancies, allowing TPAs and plan managers to collaborate on necessary corrections. By diligently following the particular details of each plan, annual budgets for claim expenses are likely to remain more accurate and on track, and some plans have even begun continuously monitoring their claims payments to enhance accountability.