

The Enormous Value of Claim Audits

Medical claims and **pharmacy benefit manager audits** are valuable for large employers sponsoring health plans. While the obvious benefit is helping recover overpayments and flagging billing errors, the impact goes further. By identifying mistakes, audits help recover funds and, just as importantly, pinpoint areas where systems can be improved to prevent future errors. Ensuring claims are paid consistently means better service for members and reinforces fairness across the board. Regular oversight also signals to third-party processors that the plan sponsor actively monitors performance.

There are two main factors that influence the accuracy of claim payments: how the system is set up and its ongoing accuracy. With thousands of provisions in every employer-sponsored health plan, paying claims is a complex challenge. Even when systems are built and maintained with care, errors can happen. Most administrators strive to keep error rates in the low single digits, but given the sheer volume, even a low rate can still result in significant financial exposure. That's why audits are so important. The high cost of healthcare services means that catching even minor mistakes is essential.

As healthcare costs continue to rise, plan sponsors are under growing pressure to ensure claims are paid accurately. Today, many organizations have responded by increasing audit frequency, with some opting for continuous monitoring of claim payments. Regular, monthly reports on claim accuracy have a host of benefits: errors are identified and corrected more quickly, overpayments are recovered in real time, and financial planning becomes more predictable. This proactive approach not only protects the bottom line but also strengthens the plan's overall integrity in the short and long term.

Pre-audit meetings are opportunities for plan sponsors to clarify their goals and concerns before the review begins. It allows audit firms to tailor the review to each plan's priorities and to ensure that specific questions are addressed. The insights gained from audit findings don't just help correct errors—they can also inform strategic management decisions. With today's advanced technology, reviewing thousands of claims across hundreds of data points is faster and more precise than ever before. When audit results are clearly reported and actionable, they become a powerful tool for plan management.