

Reducing Overcharges on Medical and Rx Claims

Company-funded medical and prescription benefit plan management involves careful claim payments. At the same time, the role of third-party administrators (TPAs) and pharmacy benefit managers (PBMs) is essential. It's also challenging yet challenging. To navigate the complexity, plan sponsors benefit significantly from TPA and **PBM audits**, which provide vital oversight. They help flag overcharges and ensure that errors don't go unnoticed. Given that many TPAs are large health carriers with their own lists of covered services and medications, discrepancies can easily arise between different plans.

In some cases, PBMs may prioritize their own lists over those of the plans they administer. One critical area of focus during audits is the distinction between name-brand and generic medications. Generic drugs are less expensive than name brands. Unfortunately, it's not uncommon for prescriptions to be mistakenly filled with higher-priced name brands. Such errors inflate costs for the plans, without providing added benefit to members. Given the high volume of claims, there is a significant likelihood of encountering numerous overcharges arising from the prescription of name-brand products.

The introduction of a 100-percent audit method has transformed the industry, embodying a new era of accuracy. The new method combines detailed electronic scans with minimal human review. This combination allows for the quick and precise identification of any overcharges that might have occurred. Plans that once conducted audits primarily to adhere to government regulations are now recognizing the value of more frequent evaluations of their claim payments. Many have begun implementing continuous auditing using the same software to monitor for any discrepancies.

Ensuring that a health plan accurately pays its claims is not merely desirable—it's essential for sustaining trust and efficiency in the system. The landscape of healthcare funding is evolving, and those involved in managing self-funded plans must adapt by implementing robust auditing practices. With the right tools and a vigilant approach, they can effectively monitor claims, minimize errors, and ultimately provide better care and cost management for their members. In the end, the goal is clear: deliver high-quality, cost-effective healthcare while safeguarding the financial integrity of the benefit plans.

