

# Customization Matters in Claim Audits



While management theory often emphasizes the value of repetition for efficiency, finding effective medical claim and **PBM auditing services** depends more on specificity. Every health plan has its own list of covered services and medicines. Auditors who apply a generic, one-size-fits-all method risk overlooking significant opportunities to identify errors. Even though the average claim processing error rate hovers around three percent, this small percentage can translate into substantial financial losses for large plans handling high volumes of claims. Accurate claim audits are essential tools for oversight.

Today's claim audits differ significantly from those of the past. Rather than relying on random sampling, modern audits now review every paid claim, providing much greater accuracy. This advancement is largely enabled by sophisticated software that automates much of the audit process, reducing the need for extensive human involvement. However, auditors' expertise remains crucial, especially in configuring audit software to meet the specific requirements of each plan. Auditors with hands-on experience in claim processing at large health plans bring valuable insight.

Duplicate charges and overbilling for certain services present ongoing challenges in the claims review process. Additionally, overcharges can stem from redundant or unnecessary testing: sometimes, tests that supersede previous ones are ordered together, resulting in repeated results that do not benefit patients but add to plan costs. Another critical area involves detecting systemic errors—mistakes that recur over time and, if not caught, can accumulate into financial losses. Proactive identification and correction of these patterns are essential for maintaining plan integrity and controlling expenditures.

Auditing pharmacy benefit plans, often conducted in tandem with medical plan audits, is also crucial. One key focus is identifying instances where brand-name medications are dispensed instead of approved generics. Effective audits not only control expenses but also improve member service by ensuring accurate and appropriate claim payments. Today, audits have evolved beyond compliance checks; they are now a central component of organizational management, providing oversight and strategic insight to help organizations navigate the complex landscape of healthcare claims.