

healthcare

A red sign with the word "EMERGENCY" in white, slanted text.A blue sign with white text and arrows. It says "→ Emergency Patient Pa" and "↑ Main Ent".A large, modern medical center building with a glass facade and a sign that says "Medical Center".

A MAJOR HEALTHCARE SYSTEM

For more information contact your Conner Strong & Buckelew representative at 1-877-861-3220.

THE ISSUE

A major healthcare system wanted to monitor the performance of its claims administrator to verify its plan was being properly administered. Ensuring they were not exposed to errors in benefits administration, leaving them vulnerable to claim overpayments and other errors in claim administration, was a top priority. They engaged Conner Strong & Buckelew to do a comprehensive audit of the financial and claims processing accuracy of their claims administrator as part of their compliance and due diligence obligations for their plan.

OUR RESPONSE

Conner Strong & Buckelew performed a statistically valid, random claim audit of the administrator's claims processing to compare the administrator's performance against industry standards and against the performance guarantees in the administrative services agreement (ASA).

The medical claims audit performed by Conner Strong & Buckelew determined that the claims administrator had not met the ASA's performance standards for claims processing accuracy and financial accuracy for the prior year and was not meeting the standards for the current year. In addition, the audit identified that the plan's out-of-pocket maximums had been incorrectly programmed in the system and, as a result, the plan had incurred significant additional costs not anticipated in the plan design. Further, the claims administrator's incorrect programming of many of the plan's other cost-share provisions led to additional significant overpayments.

THE RESULT

As a result of the Conner Strong & Buckelew audit, approximately \$300,000 will be recovered by the plan, and the claims administrator's service recovery activities (instituted as a result of the audit) – including the funding of a follow-up claims audit – will lead to greatly improved claims processing performance for the client's plan going forward.

