



Medical Claims Auditing

A company with 1,000 employees typically has the opportunity to save more than \$150,000 in medical claims costs. This potential can be realized through the identification of a 2% error rate. Typical error rates for Third Party Administrators range from 2% to 5%. A 2% error sounds small until it comes out of every dollar your company spends on your employees' healthcare.

Seneca Consulting Group, with its auditing partner Healthcare Horizons, provides detailed healthcare claims audits to self-insured employers, with a focus on identifying and recovering overpaid claims that can be returned to the employer's account. Seneca Consulting Group can audit any TPA or claims administrator and usually price the engagements on a contingency fee helping self-funded employers sniff out overpaid healthcare claims

Why Audit Claims?

When you choose to self-insure your healthcare expenses, you remove the direct financial incentive for the claims payer to control medical costs. This will lead to overpaid claims resulting in additional expense to your plan. With medical expenses on the rise again, employers cannot afford to continue funding overpaid claims. The best way to resolve this problem is to conduct periodic reviews of your claims data. This allows the employer and claims payer to work together to ensure that claims are paid as accurately as possible and that mistakes that are made are corrected.

Our Approach

Our approach is different from most vendors in that we do not utilize a sampling methodology. We perform a comprehensive review of all paid claims using our electronic capabilities and proprietary claims audit logic. We are confident that a comprehensive review is superior to a sampling methodology because it

- Identifies **all** incidences of a particular type of payment error,
- Allows for the payer to validate the findings of the audit based on specific claims information, and
- Provides more convincing evidence of operational issues at the payer site to facilitate process improvement and prevent future occurrences.

"We work on a 100% contingency basis."

Key Benefits

- Contingency fees
- 100% Claims audited
- Data warehouse claims for trend prediction
- Identify areas where you can achieve greater cost savings and efficiency
- Negotiate more favorable plan terms

Seneca Consulting Group

Founded in 1994, Seneca Consulting Group, Inc. provides quality, cost-effective health benefits consultation to employer organizations, Third Party Administrators, unions and municipalities through clinical expertise, benefits design, and advanced technology systems.

As a client of Seneca Consulting Group, you will be able to better understand and manage the issues and risks related to medical and pharmacy claims costs. You will gain more control over pharmacy costs without compromising appropriate therapy for plan members.

Technologies

Today's database technologies have rendered sample claims audits obsolete, but many payers have resisted the move toward a more thorough validation of self-insured claims. Healthcare Horizons is helping America's leading companies change this market dynamic. With healthcare transactions still lagging behind manufacturing and banking in acceptable error rates, the ability to apply systematic and electronic reviews proves extremely valuable to at-risk entities. Healthcare Horizons utilizes SQL based programming to apply the expertise of our professionals across the entire data set of paid claims for employers. This electronic review is not limited by the size of the claims file. Healthcare Horizons personnel have reviewed individual data sets in excess of \$2 billion. The critical dynamic is that the professionals involved have the healthcare claims and systems knowledge to know where to look and the technological and recovery experience to turn the findings into cash for our clients. This process is what we call Search and Rescue

Search and Rescue

Unfortunately, healthcare transactions are not processed near the accuracy rates of many other industries and probably will not be for some time. The complexities of many provider contracts and benefit plan designs have created a tremendous amount of subjectivity in the processing of those transactions. This creates a unique need for claims auditors with experience specific to the healthcare industry. One can hardly ever apply a similar set of criteria across multiple data sets to identify a single overpayment issue. The team must allow flexibility, while consistently representing the financial and business interests of the client. This is a difficult balance that Healthcare Horizons strikes. On each engagement, we utilize experts who have worked for claims payers and understand their environment and challenges. While running logic against a data set is the critical first step, our process of Search and Rescue covers much more in order to maintain the working relationship with the claims payer while maximizing the financial impact of the claims audit.

Search: The claims auditor must quickly ascertain likely areas of problems based on the initial review of plan documents and queries against the data. The Search process accounts for the variability required in claims payment to focus on those areas where claims errors are likely to occur.

Rescue: It takes special skill to sit down with a claims payer and challenge their normal line of thinking to turn Search results into recovered dollars. One must navigate around road blocks, push through delays, and ultimately produce enough documentation to support the additional work required for the claims payer to correct overpaid claims. Rescue turns Search into real money for our clients.

Please contact us at 631-577-4092.

Audit & Analytic Services

Claims Audit

- Duplicate claims
- No discount
- Eligibility
- Multiple procedures

Performance Audit

- Effective discount analysis
- Specialty drug analysis
- OTC opportunities
- Top 25 pharmacies
- Maintenance drug analysis

RFP Support

- Medical claims re-pricing
- Facility utilization
- Vendor analysis

