

healthcare

The Hospital

A LARGE LOCAL HOSPITAL

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

THE ISSUE

A large local employer wanted to monitor the performance of its claims administrator to verify its plan was being properly administered. They engaged Conner Strong & Buckelew to conduct a comprehensive audit of the financial accuracy and claims processing accuracy of its claims administrator as part of the client's compliance and due diligence obligations for the 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 FINDINGS

The medical claims audit performed by Conner Strong & Buckelew determined that the claims administrator was not meeting the ASA's performance standards for claims processing accuracy and financial accuracy. In addition, the audit identified that the administrator:

- Was incorrectly administering the negotiated discounts for the two network hospitals with the largest utilization in the plan
- Was incorrectly applying the plan's emergency room copayments
- Was not paying certain high-volume diagnostic services in accordance with the plan design
- Was not coordinating benefits in accordance with the plan's intent

As a result of the Conner Strong & Buckelew audit, the claims administrator initiated a comprehensive service recovery plan which is expected to lead to greatly improved claims processing performance for the client's plan going forward.

