



Year-end Auditing

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Pioneering Specialists in

Group Health Care

Post-Payment Administration

For Over 20 Years

Customer Philosophy

Respect for Existing Procedures

Emphasis on Customization

FOCUS on Solutions

Year-end Auditing Realities

- **Auditing is the most fundamental of self-funded plan fiduciary responsibilities.**
- **Auditing is also one of the most overlooked or ignored responsibilities.**

- No plan year is complete if it has not been audited.
- But, not every part of every plan needs to be audited at the same time.

Year-end auditing should be part of a year-round audit plan.

- What should I audit when and how?
- That is our question for today.

What to Audit

- 1. Benefits Contract**
- 2. Risk Financing Contract**
- 3. Administration Contract**
- 4. Paid Claims Data**
- 5. Enrollment History Data**

Year-end Auditing Webinar Overview

For each of these five areas we will consider:

- **When** (frequencies)
- **What** (purposes)

Followed by:

- **How** (general approach)
- **How Much** (time and cost)

Year-end Auditing Benefits Contract

When	What	How	How Much	
			Time	Cost
Base Review: Medical	<ul style="list-style-type: none">•Legal entity•SPD~Plan Doc•Regulatory compliance	Review by attorney	2-3 meetings	Legal fees
Base Review: Prescription	<ul style="list-style-type: none">•Current provisions•Enforcement•Transparency	Review by PBM specialist	1-3 meetings	Consulting fees
Annual Review	<ul style="list-style-type: none">•Cost sharing levels•Plan changes•Covered benefits•NOT covered benefits•Regulatory compliance	Content review with Advisor, Broker or Consultant (ABC)	1-3 meetings	ABC fees

Year-end Auditing Risk Financing Contract

When	What	How	How Much	
			Time	Cost
Base Review	<ul style="list-style-type: none">•Current contract exists•Current contract terms and conditions	Supported by payer	1 meeting	Payer Service
Annual Review	<ul style="list-style-type: none">•Specific and aggregate levels•Incurred and paid periods•Benefit limits	Content review with ABC	1-2 meetings	ABC fees
Semi-annual Review	<ul style="list-style-type: none">•Status or impact of changes, if any	Tied to Claim and Enrollment Audits	1-2 meetings	ABC fees Audit Fees

Year-end Auditing Administration Contract

When	What	How	How Much	
			Time	Cost
Base Review	<ul style="list-style-type: none"> •Current contractual terms •Rights of review, appeal and audit •Administrative Performance Contract (APC) 	Negotiated with Payer	1-3 meetings	Payer Service ABC fees
Annual Review	<ul style="list-style-type: none"> •Service scope and fee level changes •Regulatory compliance •APC enforcement 	Content review with ABC Tied to Claim and Enrollment Audits	1-3 meetings	ABC fees Audit fees
Semi-annual Review	<ul style="list-style-type: none"> •Status or impact of changes •APC monitoring 	Tied to Claim and Enrollment Audits	1-3 meetings	Audit fees

Year-end Auditing Paid Claims Data

When	What	How	How Much	
			Time	Cost
Annual Review	<ul style="list-style-type: none">•Enforce APC•Monitor improvements	SAS #70 Sample Or 100% review	2-3 meetings	Audit fees
Annual/Semi- annual Review	<ul style="list-style-type: none">•Monitor contract changes•Routine claim recovery	100% review	1-3 meetings	Audit fees
Quarterly	<ul style="list-style-type: none">•Address claim recovery filing limits	100% review	1-3 meetings	Audit fees
Monthly	<ul style="list-style-type: none">•Claim payment challenges	100% review	Monthly meetings	Audit fees

Year-end Auditing Enrollment History Data

When	What	How	How Much	
			Time	Cost
Three-year	<ul style="list-style-type: none"> •Minimum for monitoring changes and errors 	Employee reconciliation Enrollment verification Dependent validation	2-5 meetings	Audit fees
Annual Review	<ul style="list-style-type: none"> •Support claim audit •Confirm open enrollment •Support regulatory notices 	Employee reconciliation Enrollment verification Dependent validation	2-5 meetings	Audit fees
Semi-annual, Quarterly, Monthly Review	<ul style="list-style-type: none"> •Confirm adds, deletes and dependent documentation as volume warrants 	Employee reconciliation Dependent validation	1-3 meetings	Audit fees

Year-end Auditing Why Audit?

Benefits

- Demonstrate real fiduciary control.
- Move from reactive to proactive management.
- Claims audits yield cost recoveries to pay for audits.
- Enrollment audits yield cost removals that produce large return-on-investment.

Annual Costs

- 1 week (40 hours) of time
- 1% of claim payments

For More Information
Contact

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We offer no-cost consultations
to answer questions and discuss options.