

## Case Study – Claims Audit

### A Value *Forward* Approach to Auditing Proves Successful.

#### Business Situation

This client conducts a periodic claims audit of their administrator for their self-insured medical plans every 2-3 years. This latest audit included BMI's Value Forward approach.

#### Solution

Utilizing experienced staff and proprietary AUDiT iQ™ software, BMI customized an audit plan to meet the following objectives:

- ✓ Review 100% of all claims paid during the audit period chosen by the client.
- ✓ Test claims against Summary Plan Descriptions and enrollment records.
- ✓ Identify and analyze areas of possible fraud, waste, and abuse.
- ✓ Confirm appropriate coordination of benefits.
- ✓ Audit a sample of claims on-site at the third-party administrator's payment facility.
- ✓ Present detailed findings in addition to specific cost-savings recommendations based on the data and audit results.
- ✓ Provide post-audit guidance and assistance.

#### Audit Finding

- Incorrect application of copay
- Payment for non-medically necessary services
- Duplicate payments
- Payments made for excluded services based on internal policy vs. specific plan language

#### Audit Outcome

At the conclusion of the audit BMI assigned a Post-Audit Support Coordinator to walk the client through the audit findings and provide steps to obtain resolution to the identified errors. After several rounds of communication coordinated by BMI, the administrator credited the client over \$40,000 for benefits paid in direct conflict with plan language.

In addition to errors identified directly through the audit, BMI's analysis of plan designs and claims data identified an additional \$300,000 in potential future savings by making suggested plan language revisions.

This client realized a direct and indirect ROI of over 1,200% through BMI's Value *Forward* approach.

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