

Five Tips for Employers: Avoiding Excess Medical Claim Charges

When paying medical claims, it shouldn't just be about getting them through the system quickly and easily. An efficient process is important, but your internal claim review team or outside plan administrator/carrier should also be carefully monitoring all charges to ensure you're only paying for exactly what you owe. Here are five of the top medical claim issues employers should be scrutinizing to avoid overpayment and excess charges.

1. **Check Medical Codes Used** – Codes should be reviewed closely to ensure they match the medical service performed. This includes CPT (Current Procedural Terminology) and Medicare ICD-9 codes.
2. **Ensure Charge Accuracy** – It's important to verify that any services, procedures or supplies billed on behalf of a provider were actually administered. Oftentimes, a quick medical claim to medical record comparison will identify errors or inconsistencies.
3. **Validate Medical Necessity** – With defensive medicine on the rise, your benefits administration team should be on the lookout for excess medical charges like extra tests or prolonged hospital stays. It should also track who performed the services and if multiple practitioners – a surgical assistant for example – needed to be present.
4. **Know Your Plan Specifics** – Understanding your plan's unique fee arrangements is a must. Because providers can set different contracts, it's essential to know your specific plan exclusions, payment terms and discounts negotiated.
5. **Watch for Unbundling/Upcoding** – Unbundling is a way to try and maximize charges by separately billing components instead of grouping together. Upcoding is another practice to check for – substituting the proper procedure code for one that represents a more costly service.

