



# Best practices in payment integrity

A guide to optimizing your payment integrity program to maximize medical cost savings

As medical spend continues to grow, health plans are challenged to maximize medical cost savings without amplifying member and provider abrasion. Payment integrity (PI) has long played a critical role in managing medical expense, delivering short- and long-term incremental savings. But for forward-thinking health plans, PI goes beyond addressing basic payment errors and high-dollar claim risk. PI is a strategic asset that allows them to realize 8%-10% medical cost savings annually – roughly double the savings of the average health plan.

In this guide, Optum experts share 5 payment integrity best practices used by top-performing health plans to maximize medical cost savings and achieve in-year savings goals.



## 8%-10%

average medical cost savings realized by top-performing health plans\*

\* Medical cost savings estimate is for illustrative purposes only and not a guarantee of savings.

## 1. Expand the scope of your payment integrity program

Payment integrity interventions are one of the most efficient and effective ways to address medical expense trends in-year. Other solutions may take more time. But by expanding the scope of your PI interventions, you'll see an impact on medical expense within 3-12 months.

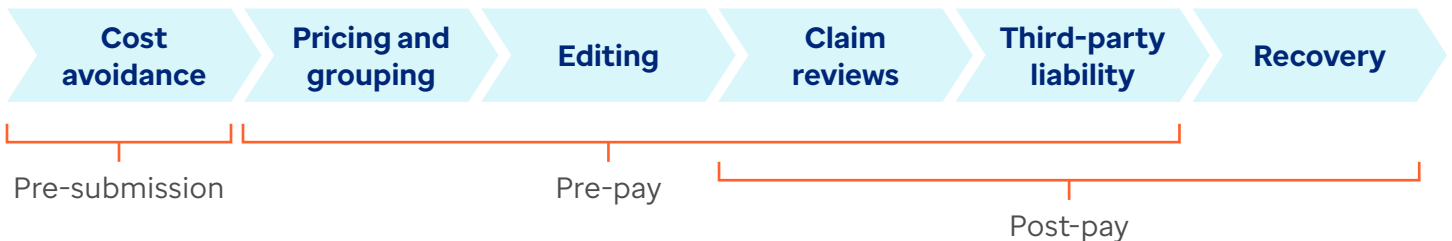
- If your focus is on mitigating risk on high-dollar claims, consider shifting your review pre-payment. The most efficient pre-pay high-dollar claim reviews use automation to normalize charge descriptions and analytics to determine the probability of inaccurate charges, leading to fewer unnecessary audits and increased savings.
- Addressing undermanaged or increasing areas of spend can help take your savings to the next level. By implementing additional interventions that focus on a specific spend category, like emergency department or specialty drug claims, you can address rising cost trends and achieve targeted affordability.
- For plans that already have a comprehensive PI program in place, consider deploying additional editing and auditing content for emerging categories of spend, like behavioral or home health, to achieve additional savings.



## 2. Continue to shift your points of intervention left

If pay-and-chase defines your PI strategy, you have a significant opportunity to improve your medical expense trend and reduce provider and member friction. But even health plans that currently use some pre-pay interventions can realize additional savings by continuing to shift left.

- Whenever possible, move interventions to pre-payment. Shifting to pre-pay will maximize your medical expense savings and increase the accuracy of your claim reimbursements and payment transparency, reducing overall abrasion.<sup>1</sup>
- If limiting provider abrasion is your top priority, consider adding in points of intervention pre-submission, like expanded provider education and solutions that support claim accuracy at submission. Taking a more collaborative approach with providers earlier in the claim lifecycle will enable you to realize additional savings while minimizing the friction that can result from traditional interventions.<sup>2</sup>



### 3. Increase efficiency and accuracy with automation and analytics

Maximizing medical spend savings often means increasing the coverage of claims reviewed. To review more claims with greater efficiency, consider reducing manual claims processing through automation.

Automation will allow you to target claims for review with greater accuracy, resulting in higher true positive rates and ROI. Health plans already using automation should consider incorporating more advanced analytics. Tools like predictive analytics, data modeling and machine learning can help improve the precision of your claim targeting and uncover new sources of savings.



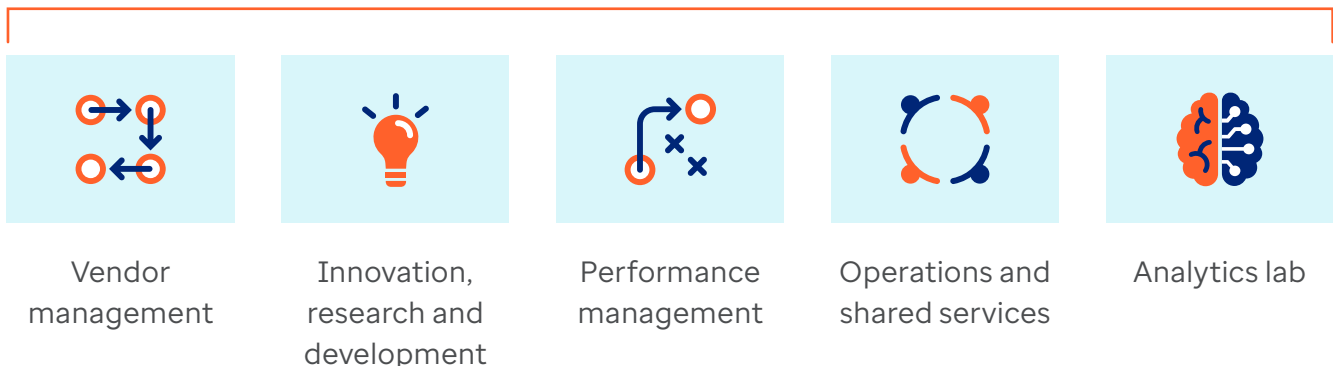
### 4. Develop a centralized payment integrity office

Although it's not unusual for a health plan to have a fragmented approach to managing payment integrity, it is one of the most profound ways to limit results. The lack of a centralized PI office leads to:

- Missed savings
- Insufficient root-cause remediation
- Provider abrasion where multiple vendors are engaged across the organization to perform duplicative tasks<sup>2</sup>

Creating a centralized PI framework will enable you to align strategies across departments and build strategic vendor partnerships. This allows for optimization of savings across spend categories and elevates your PI program into a strategic function.

#### Payment integrity office



## 5. Go beyond payment accuracy to affordability

Affordability programs – including care, utilization, network and benefit management, and payment integrity – are generally designed and managed in siloes. This limits their effectiveness. To successfully manage cost drivers, health plans need to take a more holistic approach.

Programs that integrate medical spend management cross-functionally will help ensure you're achieving optimal savings and that your members are receiving the best quality of care. For example, a comprehensive laboratory benefit management solution could help health plans achieve optimal savings by reducing unnecessary lab testing while also ensuring members are receiving appropriate, high-quality tests that are aligned to evidence-based guidelines.

### Optum can support your payment integrity evolution

Optum is an information and technology-enabled health services business platform serving the broad health marketplace, including care providers, health plans, life sciences companies and consumers. We have been the leader in payment integrity innovation, helping state Medicare and Medicaid programs and commercial health plans adopt forward-thinking strategies for more than 20 years. And we help our clients routinely identify opportunities to achieve 8%-10% medical expense savings through our comprehensive payment integrity assessment.

**Learn more** about how we can help optimize your payment integrity program to maximize medical cost savings.

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1. Rivkin J. [Payer payment integrity becoming more predictive, integrated](#). IDC. Nov. 2022.

2. Aite. [Aite Matrix: Payment integrity in healthcare](#). May 26, 2021.



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