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The Buck Stops with Senior Leadership: Companies are Exposed to Legal Risk by Losing Thousands, Possibly Millions, on Overpaid Medical Claims Annually

Knoxville, Tenn. (May 16, 2019) – Senior leaders who self-insure should know that their companies are funding some level of overpaid medical claims every year – possibly up to 3 percent of the annual healthcare spend. Because they are bound under ERISA laws by fiduciary duties, failing to identify and recover these errors could expose them to unnecessary legal risk, similar to mismanaging a 401K plan.

“Employers who self-insure are the fiduciary for their health plans,” said Randy King, president of Healthcare Horizons Consulting Group, Inc. “Many companies perform a ‘check-the-box’ type of audit and believe they are fulfilling their duties. However, it is vital to implement a robust post-payment review process to recover overpaid dollars, erroneously paid claims or claims not paid according to plan intent.”

Overpayments up to 3 percent or more of a self-insured employer’s annual healthcare spend is substantial considering employers commonly spend two and a half times more on health benefits than on retirement benefits. This level of error is uniquely accepted in the healthcare industry and often written into agreements with Third-Party Administrators via performance guarantees. Errors can add up to large sums of money that could be returned to the company’s bottom line and stakeholders.

“Every carrier makes mistakes, and it’s really the only industry where this level of errors is accepted and understood as part of normal practices,” King said. “When there is a means -- via annual comprehensive healthcare claims auditing -- to minimize and correct these errors and return the money to stakeholders, it becomes the responsibility of senior leaders to ensure that every effort is made to do so.”

Comprehensive claims audits are also a way to control rising healthcare costs. Since its founding, Healthcare Horizons has recovered millions of dollars for some of the world’s largest self-insured employers, ranging from major retailers to local governments. Recovered claims are returned to the client, allowing the Human Resources department to directly contribute to a company’s bottom line performance and build the resilience needed to maintain benefits for employees for the long-term.

For more information about fiduciary responsibility of healthcare plans, download the white paper [Healthcare Plan Administration and Fiduciary Responsibility: How Self-Insured Employers Unwittingly Lose Millions in Overpaid Claims Annually](#). Self-insured companies can email hadmin@healthcarehorizons.com to request a free audit rights assessment.

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About Healthcare Horizons

Healthcare Horizons Consulting Group, Inc. is the most trusted healthcare claims auditing firm in the nation focused solely on self-insured employers. Healthcare Horizons has spent the past 20 years providing advanced healthcare claims audits. For more information, visit healthcarehorizons.com or follow us on <https://twitter.com/HealthcareHoriz> and <https://www.facebook.com/HealthcareHorizons/>.