Appendix A
Audit Plan

Audit Plan Components
Conduct an annual audit of a statistically valid sample of adjudicated claims for the medical and behavioral health TPA. For this audit, the auditor(s) will review, at a minimum: 1. Eligibility information, 2. Coordination of Benefits was properly applied, 3. Pricing paid agrees with contract between the carrier and provider, 4. Claim was adjudicated according to the benefit structure, 5. Member cost share was properly applied, 6. Pre-authorizations, if applicable, were applied, 7. Clinical information matches claim coding, and 8. Denied claims are appropriately adjudicated in accordance with our plan document and/or carrier policies.
Conduct pre-implementation audits whenever a medical, behavioral health, or pharmacy benefit structure change occurs, a new vendor is selected, a significant platform change occurs, or a significant population change occurs. For this audit, the auditor(s) will review, at a minimum, whether the TPA's adjudication system is configured according to our benefit design (e.g., covered services, exclusions, plan limits, member cost-sharing, etc.).
Conduct shared accumulator audits whenever the benefit structure warrants, a new vendor is selected, a significant platform change occurs, or a significant population change occurs. This type of audit examines the shared accumulator for medical, behavioral health, and pharmacy vendors who have integrated accumulators (e.g., deductible, other out of pocket amounts, etc.).
Conduct audits of the TPA's Fraud, Waste, and Abuse (FWA) monitoring program, once per contract cycle or as needed. This audit would focus on any combination of the following components: (a) evaluating the suitability and design of the program and its specific controls, and assessing whether the program comprehensively prevents, detects, and corrects FWA, (b) testing the effectiveness of the controls in actually preventing, detecting, and correcting FWA. FWA includes, at a minimum, potential overpayments, duplicate payments, coding errors, and the entire lifecycle of detection through corrective action for suspected FWA.
Conduct a clinical audit for medical, behavioral health, and pharmacy TPA to determine whether clinical decision-making protocols actually followed benefit design, carrier clinical policy, and industry standards, once per contract cycle or as needed.
Conduct a medical pharmaceutical rebate audit, once per contract cycle or as needed. This audit will determine whether the medical TPA is complying with the contractual reimbursement of pharmaceutical rebates.
Conduct operational audits focusing on, at a minimum, staffing, customer service capabilities, TPA audit programs, and claims administration, once per contract cycle or as needed.
Conduct targeted claim audits, as needed. These audits would focus on specific categories of claims that have come to BA's attention as requiring additional investigation through member inquiry or complaint, industry best practice, prior audit results, or other research.
Conduct Pharmacy Benefit Manager audits in accordance with Tenn. Code Ann. § 4-3-1021.