

# Payment Integrity

## Whitepaper

**Why Old Thresholds and  
Outdated Payment Integrity  
Strategies Are Holding Back  
True Payment Integrity**



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# True payment integrity isn't about how much you find. It's about how much you fix. And that requires rethinking some long-standing assumptions.

For years, payment integrity vendors have followed a simple playbook: focus on high-dollar claims, prioritize recoveries that justify the effort, and set a floor for what's worth touching.

That formula made sense when audits were manual and time-consuming. But the world has changed, and those assumptions haven't.

Today, that old logic quietly leaves millions of dollars and countless process errors unaddressed. The question for payers is no longer "how efficiently are we finding overpayments?" It's "how completely are we restoring integrity?"



PART ONE

## The Hidden Opportunity in the Small Stuff

Across the industry, lower-dollar claims often go unreviewed. Historically, that was a rational decision; the math didn't work. But what was once a cost-saving measure has become an expensive blind spot. When viewed in isolation, lower-dollar claims ranging from \$100 to \$500 may not seem worth the trouble. Multiply that by hundreds or thousands, and the picture changes. Small claims represent enormous cumulative value, and they also reveal the upstream process issues that drive repeated errors.

**Integrity, by definition, can't be partial. When a quarter of the claim universe is ignored, the system remains incomplete.**

## The New Math of Integrity

Technology has rewritten the rules.

Automation, anomaly detection, and predictive modeling now allow payers to find and correct issues that were once invisible. Machine learning can scan millions of claims, highlight repeating patterns, and do it in a fraction of the time it used to take.

The result is a new economic equation. The traditional five-hundred-dollar cutoff is no longer where the math stops working. In well-run systems, the margin can hold at one hundred dollars or even less.

**Holding on to outdated thresholds doesn't save money anymore, it gives it away.**



## Measuring What Matters

For a long time, the industry rewarded the “find.” True progress shows up in what no longer needs finding.

A strong integrity program doesn’t just track recoveries. It tracks how many recurring issues have been resolved for good. If the same error category is showing up quarter after quarter, the work isn’t finished.

Imagine taking a snapshot of all your payment error concepts and then checking again six months later. How many of those categories have stopped producing findings? That trend line tells a much clearer story about performance than dollars recovered ever could.

## The Role of Transparency

Another barrier to progress in payment integrity is a lack of transparency. When methodologies are hidden or data is siloed, problems stay problems.

When payers and partners share insights openly, something different happens. Patterns are corrected faster. Trust grows. The relationship shifts from transactional to collaborative.

Transparency isn’t just good ethics. It’s good business. It turns payment integrity from a competitive edge into a shared improvement effort that strengthens the whole system.



# Fixing Root Causes in Practice

True integrity shows up in what stays fixed. Below are three examples where uncovering the “why” behind the overpayment led to lasting improvement rather than repeated recovery.

## Incorrect Medicaid COB

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**Payer:** Medicaid

**Description:** Claims for Medicaid members with other primary insurance were reprocessed incorrectly, bypassing coordination-of-benefits edits and resulting in duplicate payments.

**Root Cause:** A retroactive government mandate implemented during the COVID-19 era triggered a mass reprocessing of claims that inadvertently bypassed COB edits.

**Outcome:** Overpayments totaling roughly \$200,000 were identified, including two years of prior claims. After correction, COB-related overpayments dropped off significantly.

## Incorrect APC Pricing

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**Payers:** Medicare and Commercial

**Description:** Multiple submissions of APC-priced claims bypassed edits, resulting in payments that exceeded contractual allowances.

**Root Cause:** A system issue allowed payment for non-covered “packaged” services and failed to detect duplicates.

**Outcome:** Approximately \$300,000 in overpayments were recovered, and subsequent APC pricing errors were dramatically reduced.

## Specialty Pharmacy Duplicates

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**Payers:** Medicare, Medicaid, Commercial, and Marketplace

**Description:** Multiple specialty pharmacies and providers were each paid for the same injectable medications for the same patients.

**Root Cause:** Duplicate claim edits were bypassed because dates of service and provider identifiers varied across submissions.

**Outcome:** About \$250,000 in overpayments were recovered, and duplicate billing on specialty drug claims was substantially reduced.

Each of these examples illustrates the same principle: finding an error is the first step, not the last. **Integrity is proven when the issue stops recurring.**

# Payment integrity is evolving from a recovery function into a discipline of continuous improvement.

Old thresholds and narrow definitions once kept the work manageable. Today, they hold it back. Technology, collaboration, and transparency now allow payers to take ownership of the entire claim universe, identify root causes faster, and prevent errors before they happen.

The next generation of payment integrity won't be defined by the size of the recoveries. It will be defined by the strength of the systems left behind—complete, transparent, and continually improving.

**That's what true integrity looks like.**

## Contact and Follow Up

If your organization is ready to look beyond recovery and toward prevention, TREND can help you get there. Our team partners with payers to identify root causes, strengthen upstream processes, and build lasting integrity into the system itself.

Connect with TREND to explore what a complete payment integrity strategy can look like for you.