

# Adjudication Explainer

Choose the right option when picking an HSA plan



## WHAT IS ADJUDICATION?

It's the process of reviewing receipts to determine whether they are eligible to be paid.

## THE OPTIONS:

**Blind adjudication:** submitted receipts are paid automatically with no review.

**PRO:** no claim rejections

**PRO:** less administration

**CON:** possible to pay high degree of ineligible claims

**Partial adjudication:** some submitted receipts are picked out for review while others are automatically paid.

**PRO:** less claim rejections

**PRO:** auditing may encourage better claiming

**CON:** still possible to pay ineligible expenses

**Complete adjudication:** all submitted receipts are reviewed to determine whether they are eligible to be paid

**PRO:** company only pays for eligible expenses 100% of the time

**PRO:** potential of substantial savings over time.

*CASE STUDY: I pulled the claim data on one of my clients. In 2018 employees submitted \$25K in completely ineligible receipts. Under the complete adjudication model under \$5K was paid out.*

*That was a savings of \$20K for my client.*

Complete adjudication continued:

**CON:** reviewing every claim means employees must always submit proper documentation to avoid claim rejection.

## WHAT'S THE BEST OPTION?

You want to make sure company dollars only go towards eligible expenses. However, employee satisfaction is key. You want your employees happy with the HSA benefit plan.

So how do find the right plan?

## TECHNOLOGY

To save the most company dollars and to get the highest employee satisfaction find a plan where submitting and resubmitting claims is easy.

This makes it easy to pick complete adjudication.

If the claiming technology takes time and is a burden on employees, then partial adjudication may be the best answer.

Blind adjudication is worth exploring if you want 100% claim approval and are not concerned about company dollars being used in error.