

Redefining Readiness: Turning Medicare Advantage Audit Pressure into Performance



On May 21, 2025, Centers for Medicare & Medicaid Services (CMS) announced it will begin conducting Risk Adjustment Data Validation (RADV) audits annually across all 500+ Medicare Advantage (MA) plans, a move aimed at recouping overpayments and addressing delayed oversight. While RADV audits focus on validating diagnosis codes tied to plan payments, they may signal broader regulatory scrutiny ahead.

More than half of all Medicare beneficiaries are enrolled in Medicare Advantage (MA) plans, which cost the federal government approximately \$500 billion last year. The Committee for a Responsible Federal Budget also estimated recently that MA overpayments will total \$1.2 trillion over the next ten years, about 14 percent of total MA spending.¹



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RADV audits have long been in place, but historically, only around 60 were conducted each year, each reviewing just 35 records. With this expanded effort, CMS will not only audit all MA plans, but the audit depth has been increased to an anticipated 200 records per audit. Additionally, CMS will be onboarding about 2,000 new medical coders by September 2025 to accelerate the process and resolve the backlog. In addition, CMS is also deploying advanced systems to review medical records and flag unsupported diagnosis more efficiently.²

RAM Health assists MA plans prepare for this expanding oversight by strengthening documentation, improving data governance, and embedding compliance into daily operations, all key steps to reducing general risk and staying audit ready.

¹ CMS Takes Important Steps to Recover Overpayments from Medicare Advantage-2025-06-05

² CMS Guidelines for RADV Audits You Need to Know | Wolters Kluwer



Looking Beyond Compliance: Understanding the Broader Impact

While one key goal for CMS is to recover an estimated \$17-43 billion in improper payments annually,³ the implications of this expanding oversight will reach well beyond fiscal accountability:



Providers may experience increased documentation requirements and more frequent retrospective reviews.



Health plans can anticipate closer examination from both regulators and risk-bearing collaborators.



Payers are likely to face heightened expectations around internal controls.

This seems like more than a temporary application wave, it represents a longer-term evolution of the Medicare Advantage landscape.

Reframing the Compliance Conversation

In areas like RADV audits, the burden is particularly heavy. Plans must manually obtain medical records from providers to validate submitted diagnoses, a time-consuming and resource-intensive process. While these reviews are essential for regulatory adherence, they can also increase provider friction and administrative overhead, especially without strong foundational practices in place.

By improving the accuracy, completeness, and consistency of encounter data before it is submitted to CMS, organizations can support downstream audit readiness while also reducing inefficiencies. This proactive approach does not replace manual processes where they are required, but it does help minimize preventable issues and supports long-term accountability.

Operationalizing Audit Readiness

At RAM Health, we believe the path forward lies in making compliance an integral part of performance management. Our HEALTHsuite Advantage™ platform offers the infrastructure and workflows needed to help shift from reactive remediation to proactive oversight.

³ Implications of CMS's Expansion of RADV Audits Could be Far-Reaching | Healthcare Innovation

Some of the examples of how RAM Health helps our customers are below:

Operational Quality at the Core

RADV audits are part of a broader regulatory push that can lead to further scrutiny across plan operations. RAM Health helps health plans stay audit-ready by aligning daily workflows with CMS requirements. Through configurable policies and quality checks like verifying documentation at enrollment, our platform supports compliance from the start and helps reduce downstream risks.

**RAM Health
helps health plans
stay audit-ready**



Early Detection Through Trend Monitoring

Our solution enables users to detect inconsistencies in claims volume, diagnoses, and financial trends. Unusual spikes or outliers can be flagged for review, empowering health plans to take corrective action early, helping to avoid issues to escalate into audit liabilities.

Claims Oversight with Guardrails

Through our integrated claims editing, RAM Health provides built-in claims editing and high-dollar flagging. Outlier claims may be automatically suspended and routed for manual review, adding a layer of oversight that helps prevent processing errors and supports documentation standards.

Compliance Reporting and Transparency

HEALTHsuite Advantage automates the generation of core CMS compliance reports, including organization determinations, appeals, and grievances (ODAG), Part C program and coverage determinations, appeals and grievances (CDAG), and Part C & D submissions. Our platform is continuously updated to reflect evolving regulatory changes.



**Our platform is
continuously
updated**

RAM Health also provides our Data Analytics Solution for HEALTHsuite Advantage (DASH), a real-time business intelligence and analytics tool for operational monitoring. DASH delivers the next level capability in compliance oversight by putting actionable data in the hands of business users. For added transparency, the production repository is replicated locally enabling clients to conduct additional analyses and maintain internal oversight.



Scaling Readiness with BPaaS: Business Process as a Service

Software alone is not enough. Audit readiness may also require consistent execution and processes that are not only designed well but are run with accuracy and discipline every day. That is where RAM Health's BPaaS (Business Process as a Service) model plays a crucial role.

We offer full-service operational support that extends beyond the platform:



Day-to-day execution of critical processes such as enrollments, claims intake, and appeals handling.



Standardized, audit-ready workflows that align with CMS requirements and reduce variability.



Continuous monitoring and performance tuning, ensuring operations stay compliant even as regulations evolve.

BPaaS allows health plans to scale capacity without sacrificing control, ensuring operational quality without having to build everything in-house. It is an ideal solution for organizations navigating resource constraints or managing rapid growth, especially in high-stakes compliance environments.

In short, our BPaaS offering enables health plans to stay more compliant by design, not just by effort.

Bottomline: Turning Regulatory Pressure into Strategic Advantage

The audit expansion is not just a compliance challenge, it is an opportunity to build smarter, more resilient organizations. Forward-thinking health plans are already evolving:



Proactive Design:
Building audit readiness into core operations



Strategic Governance:
Using compliance data to inform performance and guide investment



Integrated Platforms:
Centralizing oversight within scalable, user-friendly infrastructure

RAM Health's mission is to help our partners lead this evolution. Our platform does not just monitor activity, it helps coordinate compliant, efficient, and transparent operations across the enterprise.

Audit scrutiny will continue to rise, regulatory frameworks will evolve and the margin for error will shrink. However, with the right tools and mindset, this environment can be a catalyst, not a constraint. Our solutions do more than help ensure compliance and mitigate risk, we enable our clients to compete and stay future ready with focused solutions and deep niche expertise.



Together, we can shape a healthcare ecosystem where performance and integrity go hand in hand.

Let's lead through change. RAM Health is ready.

ramhealthinc.com