Defeating Denials for Good (in 3 steps)

Christine Fontaine, CHFP
Solution Strategist

WAYSTAR

1. Welcome
2. Market Challenges + Insights
3. 3 A’s to Outsmarting Denials
4. Final Takeaway
5. Q&A

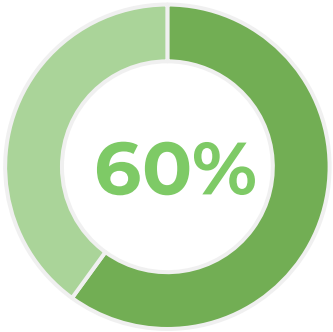
DENIALS EPIDEMIC

What we already know

STATE OF THE INDUSTRY

Nearly 15% of claims are initially denied but over half get overturned[1]

of denials can be attributed to **front-end issues**[1]



RESOURCE + REVENUE IMPACT

$44 average administrative cost to pursue overturning a denial[1]

49% of RCM teams are allocated to working denials vs. preventing them[2]

70% of organizations have a minimum write-off amount to alleviate resource constraints[2]

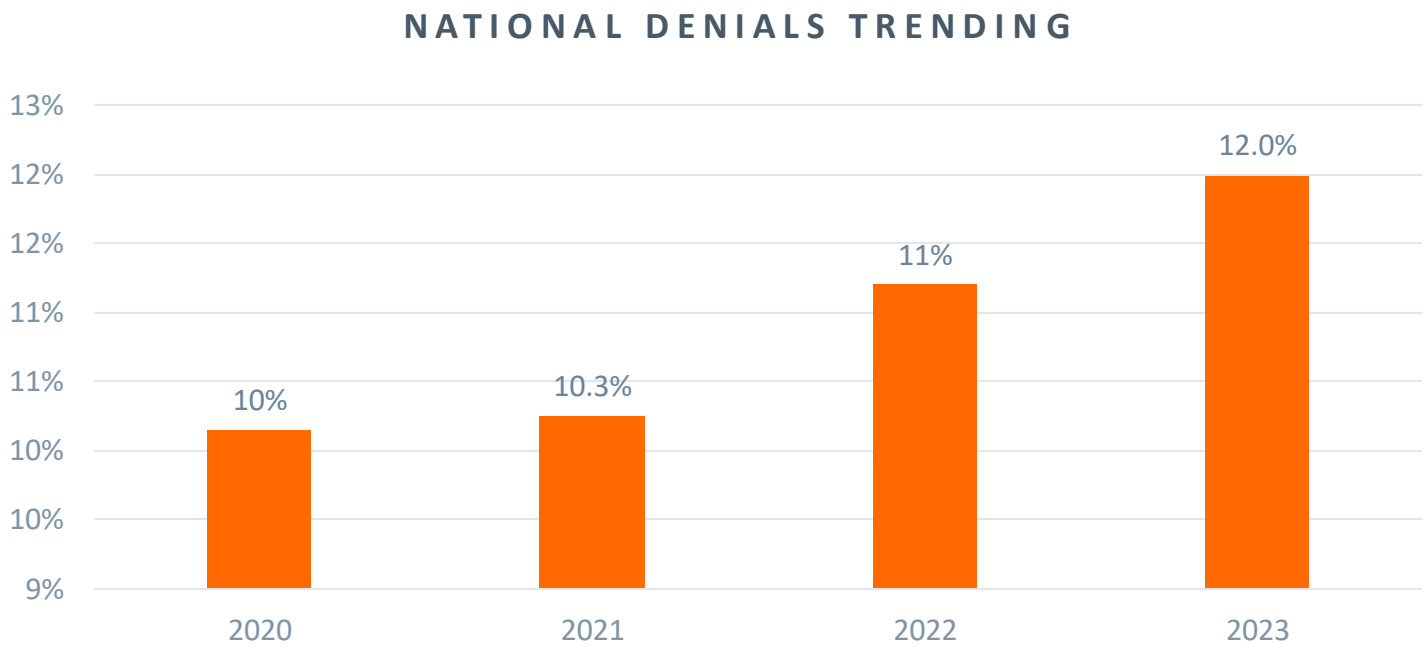
[1] Premier: Private payers retain profits by refusing or delaying legitimate medical claims
[2] HFMA + Waystar 2023 denials survey

DENIALS EPIDEMIC

Denials are entering a dangerous zone

20%

increase in denials over the years



Top reasons for denials — Medical Necessity → Prior Auth/ Pre-Cert → Request for information → ***Negative margin pressure***

[1] Kodiak RCA benchmarking analysis

The 3 A's to Outsmarting Denials

Allocate

denials for
smart follow-up

Automate

front-to-back
processes

Avoid

write-offs across
all channels

Automate

Front-to-back processes

WAYSTAR

Polling Question #2

Q. What is the leading cause of denials for your organization?

A. Registration / Eligibility

B. Authorization

C. Medical Necessity

D. Missing / Invalid Claim Data

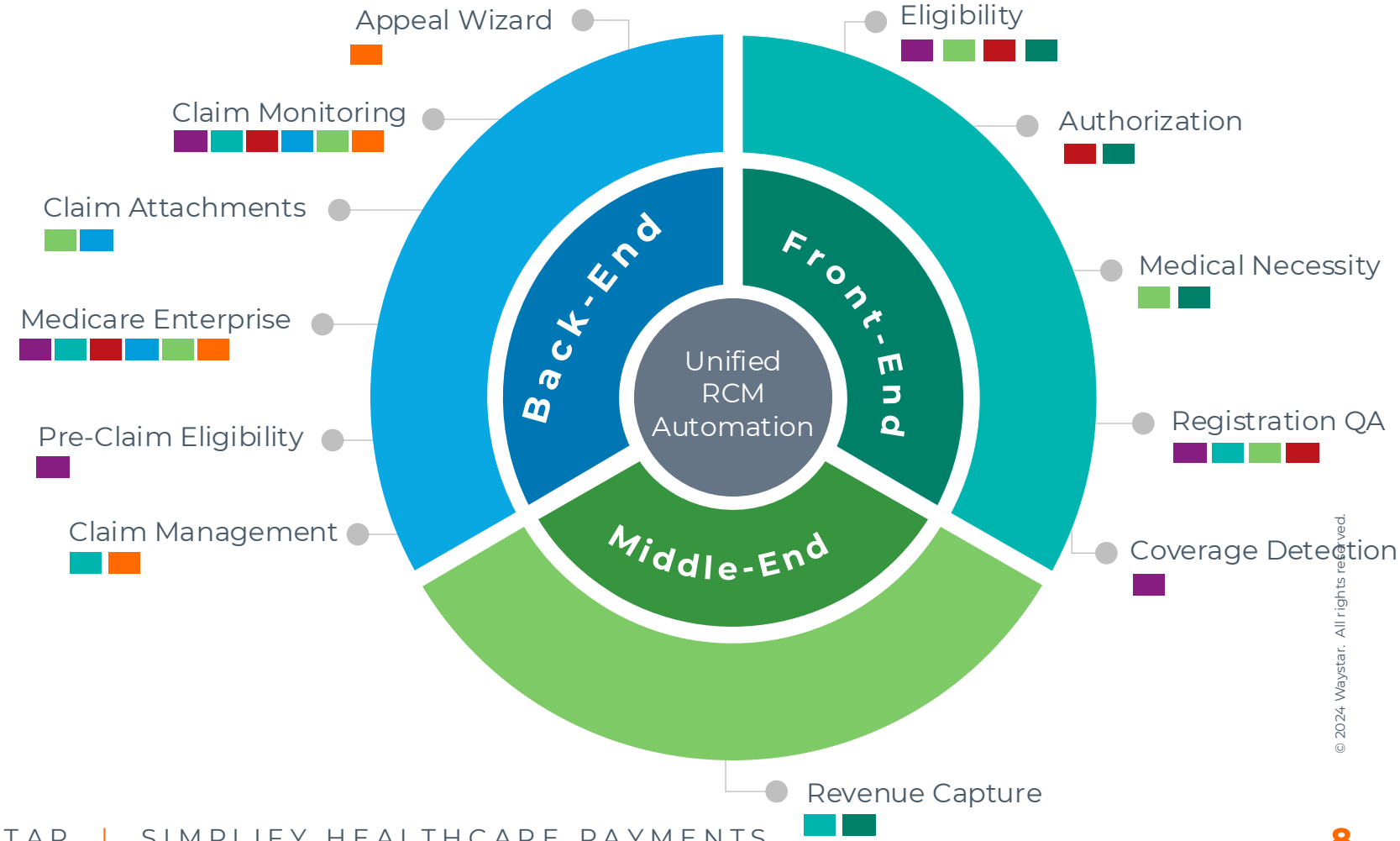
E. Other

WAYSTAR

AUTOMATE

A unified + automated platform

Mitigate top denial issues through unified automation, powered by AI + RPA + Rules Engine

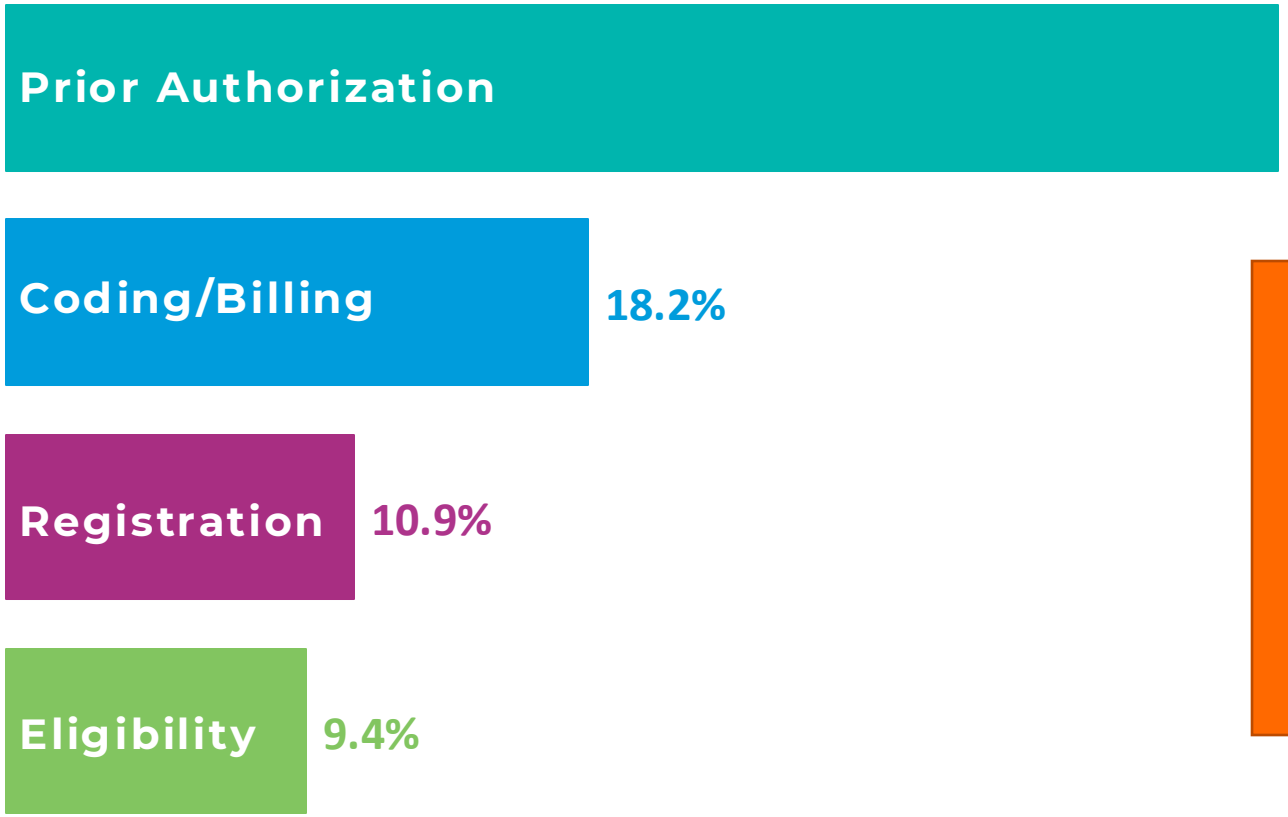


Top Denial Issues Mitigated via Smart Automation

- Registration / Eligibility
- Missing / Invalid Claim Data
- Authorization / Pre-Cert
- Service Not Covered
- Medical Records Request
- Medical Necessity
- Timely Filing

AUTOMATE

The majority of denials are front-end-related



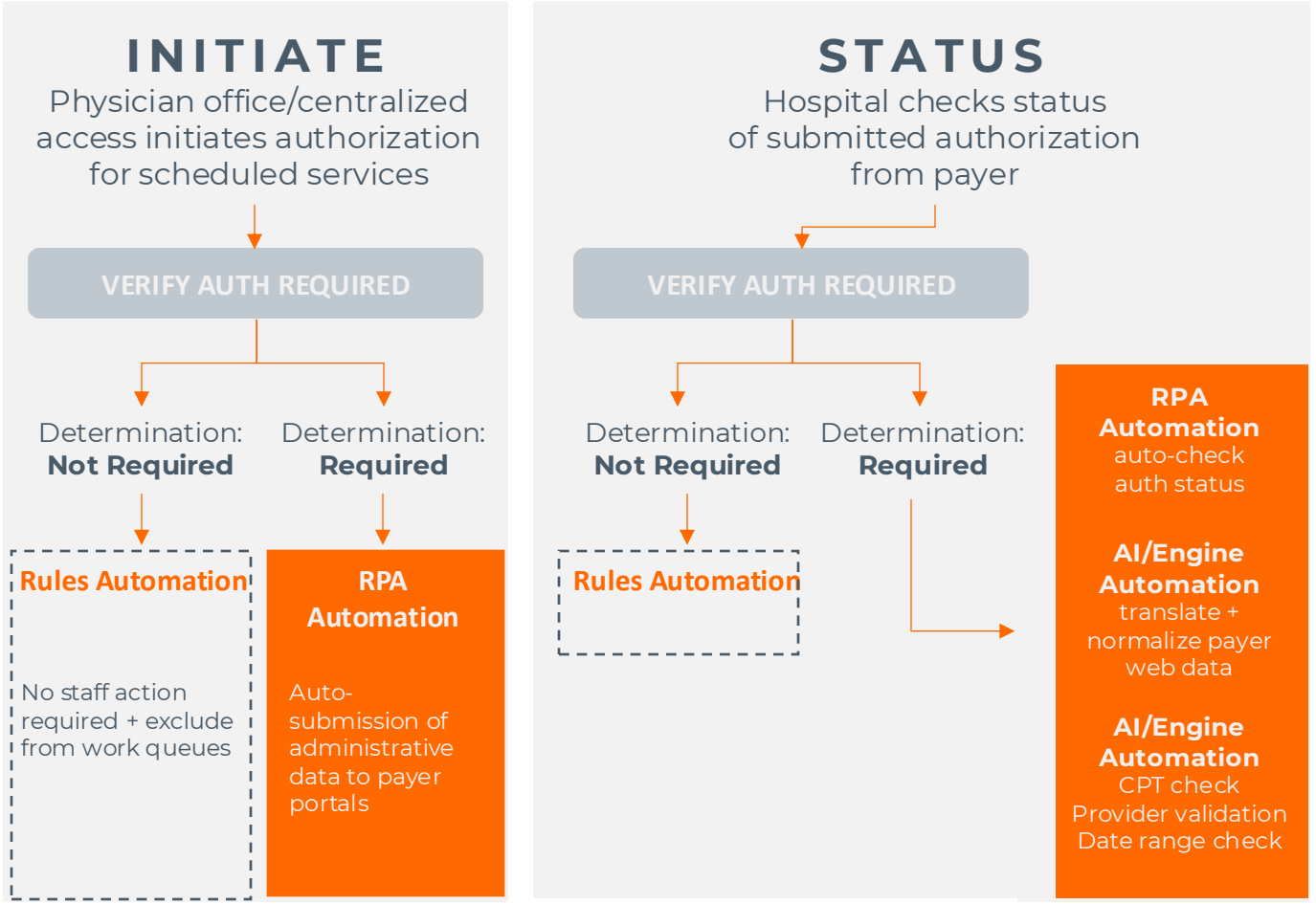
72% said authorizations are the most time-consuming front-end process[1]

[1] HFMA Denials Study 2023

AUTOMATE

Automating prior authorizations at scale

+ Leverage purpose-built automation to navigate payer-specific rules
+ Continuous status monitoring enables staff focus and efficiency
+ Exception-based workflows alert staff to act only if/when needed
+ Reduce auth-related denials by effectively initiating, statusing and logging authorizations across the largest set of service lines and settings
+ Utilize multiple data transfer methods, including RPA, HL7, APIs, EDI 278



AUTOMATE

Intelligently automate status checks

- Automate status checks + **intelligently route claims to the correct work queues**
- Leverage multiple connections to retrieve the most **enriched claim data directly from payers**
- Ensure **responses are normalized** and supports actionable follow-up
- Leverage technology to provide automated statuses at the right time, **reducing unproductive touches** + shifting focus to cases requiring follow-up
- Improve overall efficiency, resulting in **time and cost savings**

The Approach

Curate
the most enriched status responses

Control
claim follow-up with proactive work queue routing

Capture
payments faster + forecast your AR

The Results

Accelerate cash flow

Save time + reallocate resources

Increase user productivity

Reduce overall A/R days

AUTOMATE

Accelerate appeals + convert denials to payments

Paperless Appeal Package + Submission Options

- Certified mail
- Print + mail
- e-Fax
- Payer portals

Pre-Populated, Payer-Specific Appeal Templates

- Commercial payers
- Government payers
- Pre-filled fields
- Attachments

Tracking + Reporting + Control Across All Appeals

- Transaction history
- HIS/PM integration
- Settings options
- Workflow tracking

The value

- Maximize your investment
- Decrease write-offs
- Reduce cost to collect
- Eliminate appeal uncertainty
- Improve productivity + streamline workflows
- Increase realized revenue

Allocate

Denials for smart follow-up

WAYSTAR

Polling Question #1

Q. If you could re-prioritize denials workflow, how would you prefer to organize follow-up? (multi-select)

- A. Highest denied dollars descending (work highest denied dollars first)
- B. Probability of payment (work denials that have highest chance of getting paid)
- C. Alpha and/or Payer-split (divided by payers or alpha-split)
- D. Functional/Task split (technical vs clinical denials; appeals-only team, etc.)
- E. Other (please provide in chatbox)

WAYSTAR

ALLOCATE

Flexible workflows to meet unique needs

Control denial workflow dynamically + quickly across multiple parameters

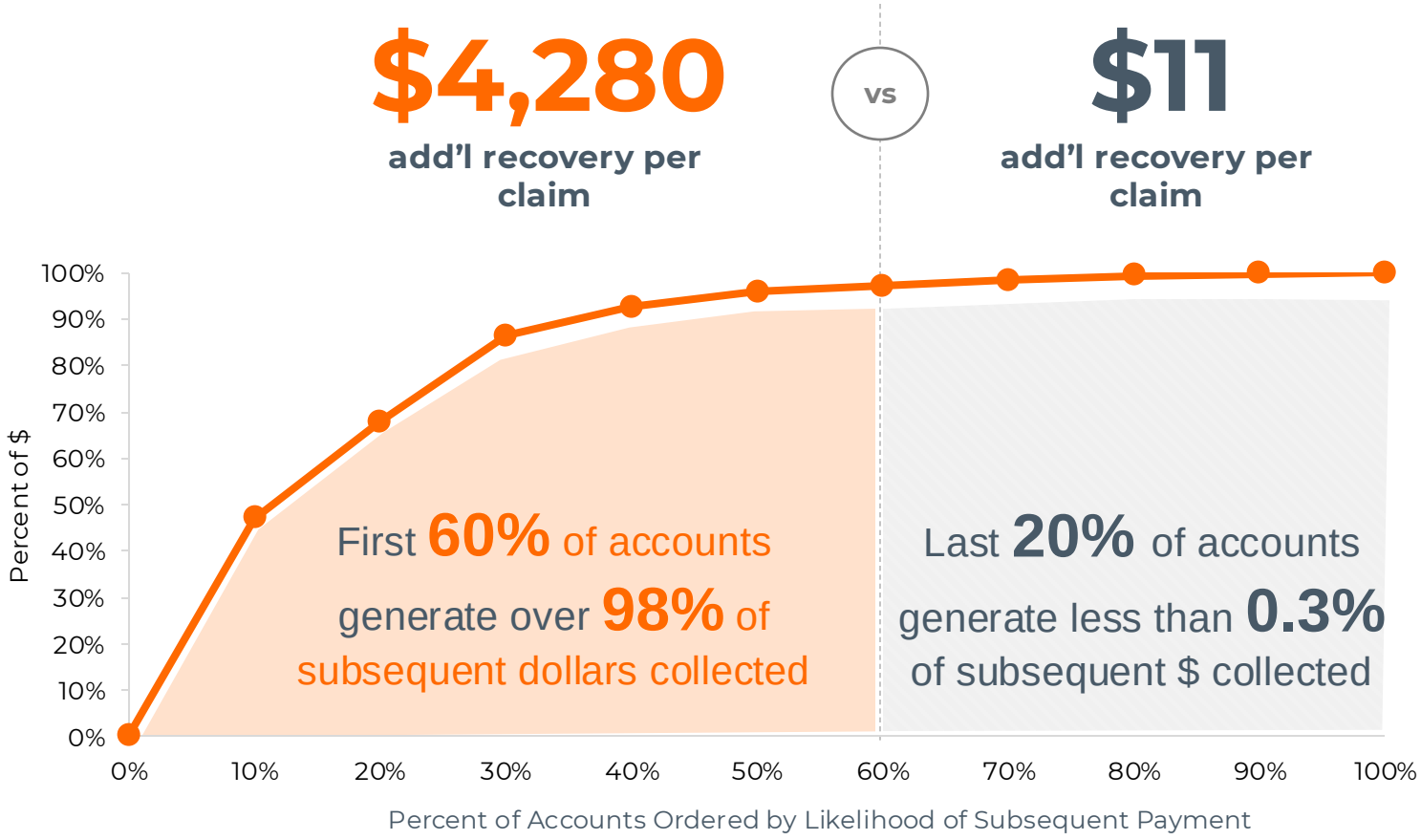
- + Create New Workgroup
- + New Denial Tag
- + Denial Closure Settings
- + Appeal Settings
- + General Denial Settings

ALLOCATE

Focus on high yield opportunities

A smarter way:

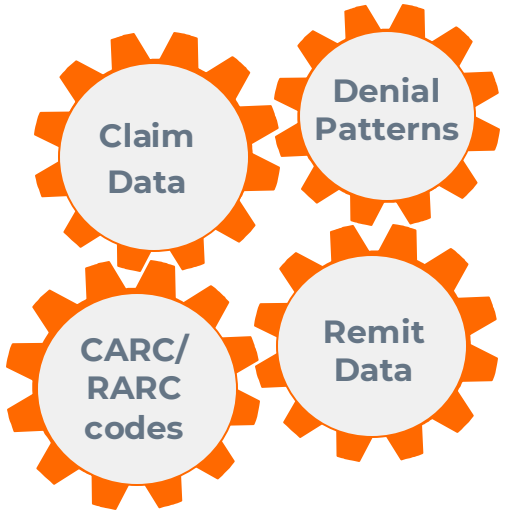
- Prioritize denials that have the **highest chance** of generating most of the revenue
- Route to appropriate work queues
- Recover more revenue



ALLOCATE

Leveraging technology to prioritize denials

Probability of Payment

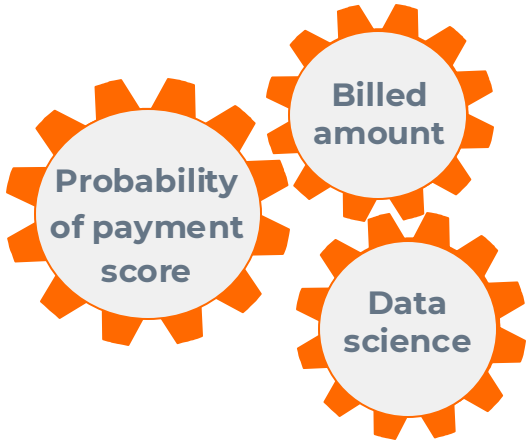


Identify denials that have highest rate of return

Analyze sets of CARC/RARC patterns to **predicts the probability of additional payment** on a given denial

+

Denial Priority Score



Flag highest priority denials for staff to address

This enables **prioritization based on payment**, saving time and producing better, faster results.

=

Results:

Automated prioritization of accounts and denial work

Focus on only those that will be successfully appealed

Automated appeal form population and submission

Work Smarter
innovative technology to improve staff efficiency while increasing recovered revenue

Avoid

Write-offs across all channels

WAYSTAR

Polling Question #3

Q. What investments would you like to see as part of your denial prevention strategy? (multi-select)

A. Increased RCM automation (e.g., eligibility, authorization, attachments)

B. Add 'value' component to denial probability score (high payment recoupment value)

C. Predict denial probability prior to claims submission

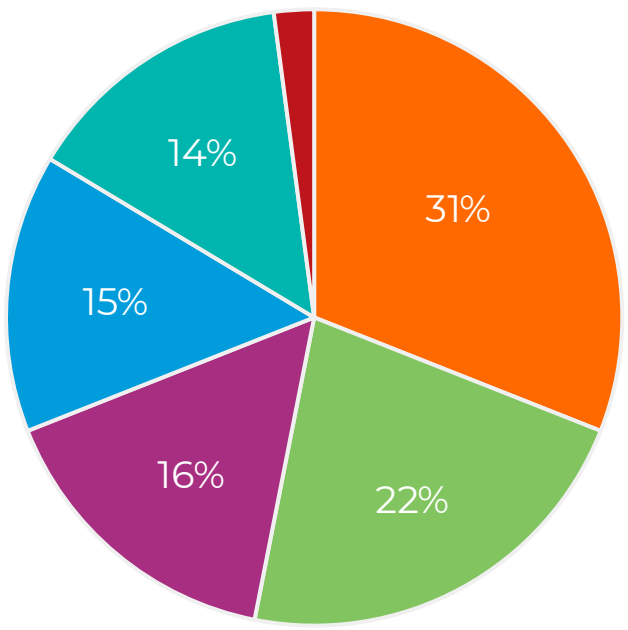
D. Payer accountability tools: scorecards, contract violations, etc.

E. Other (please provide in chatbox)

WAYSTAR

AVOID

Denial prevention tops the priority list



- Denial Prevention
- Denial root cause analysis
- Denial reduction
- Denial work and appeal submission
- Denial prioritization and work queue routing
- Other

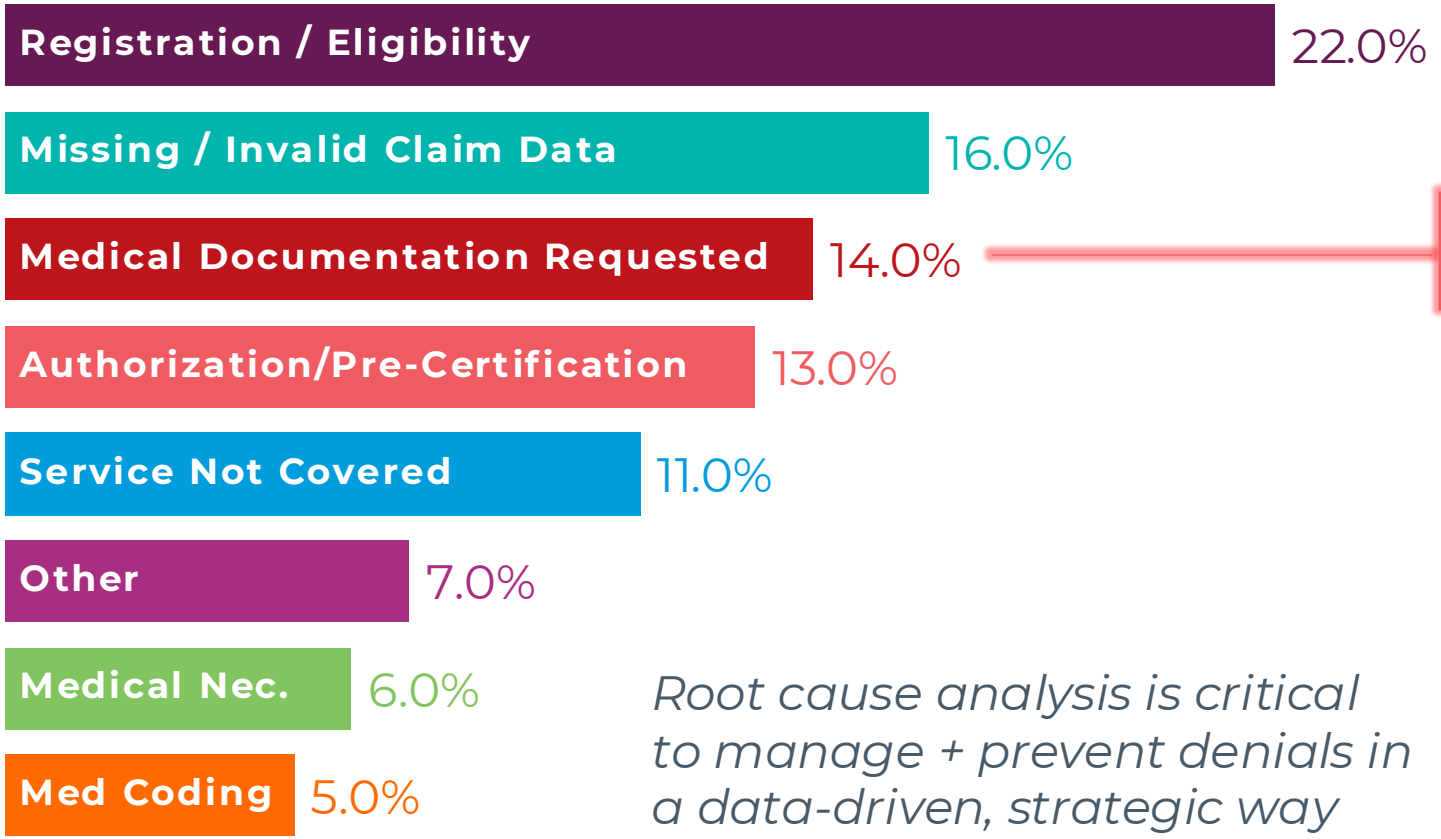
While denial rates continue to rise:

Up **20%** with the trend expected to continue[2]

[1] HFMA Denials Study 2023
[2] Journal of the American Health Information Management Association, Claim Denials: A step-by-step approach to resolution (2022)

AVOID

Denial reason ≠ root cause



Root cause analysis is critical to manage + prevent denials in a data-driven, strategic way

Sample Root Cause Issues

OON Provider	Registration Error	Allowed Max Benefit Met
Missing Provider Info	Secondary Claim Error	Invalid Coding
Order Change	Add-on Service	Recurring Encounters
ABN Not Signed	Experimental Procedure	Procedure Not Contracted
Payer Needs More Info	Medical Necessity	Missing/Insuff. Documentation
Missing/Insuff. Documentation	Unlisted Dx Code	Length of Stay
New User Training	Process Gap	New Technology
Retro Coverage	Primary Claim Delay	Delayed Appeal

AVOID

Discover denial patterns through analytics

- Root Cause Reason
- Claims by Denial Reason
- Dollars Denied / Adjusted
- Claims Denied + Reworked
- Avoidable Denial Write-Off Rate
- Denial Overturn Rate
- First Pass Clean Claim Rate
- Payer Scorecard
- Denied Procedures

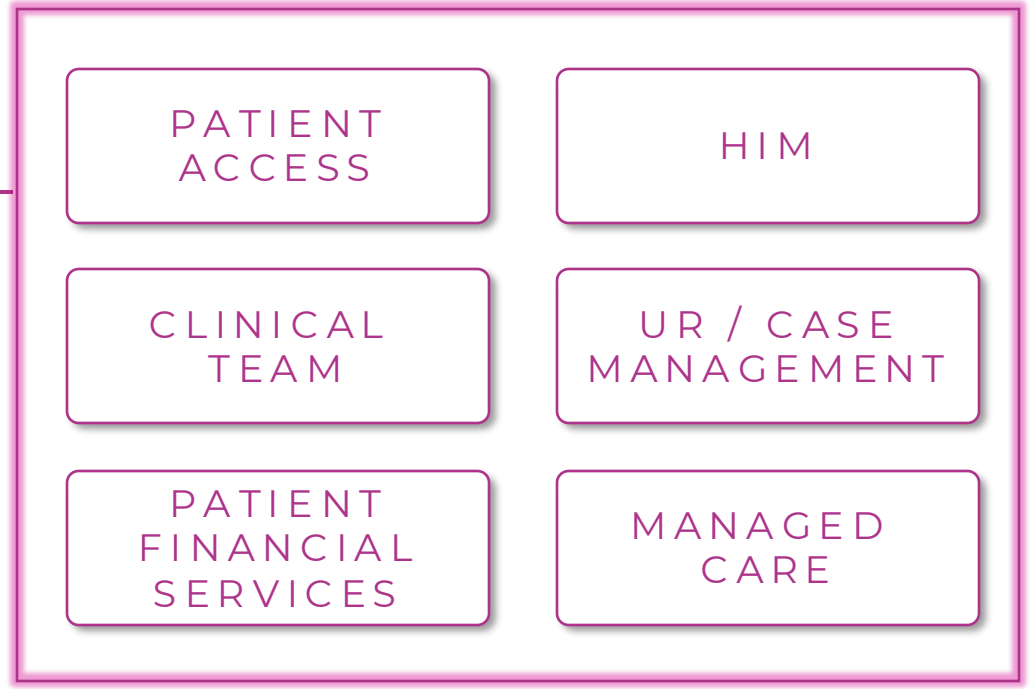
Sample denial metrics

AVOID

Denials is an everyday problem, alignment is key

Key steps to establishing successful denials prevention strategy

1. Executive support + multi-disciplinary alignment
2. Establish expectations, ownership, cadence
3. Perform root cause analysis
4. Define + execute action plan
5. Track + measure improvement
6. Continuous refinement



The 3 A's to Defeating Denials

Automate

Front-to-back-end processes

Allocate

Denials for smart follow-up

Avoid

write-offs across all channels

Q + A

WAYSTAR