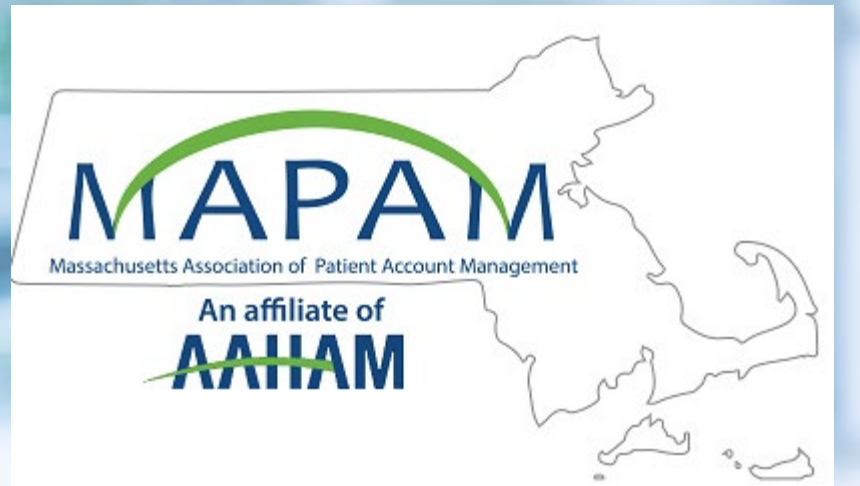


2023 MAPAM Annual Fall Conference

Shifting from Denials Management to Denials Prevention

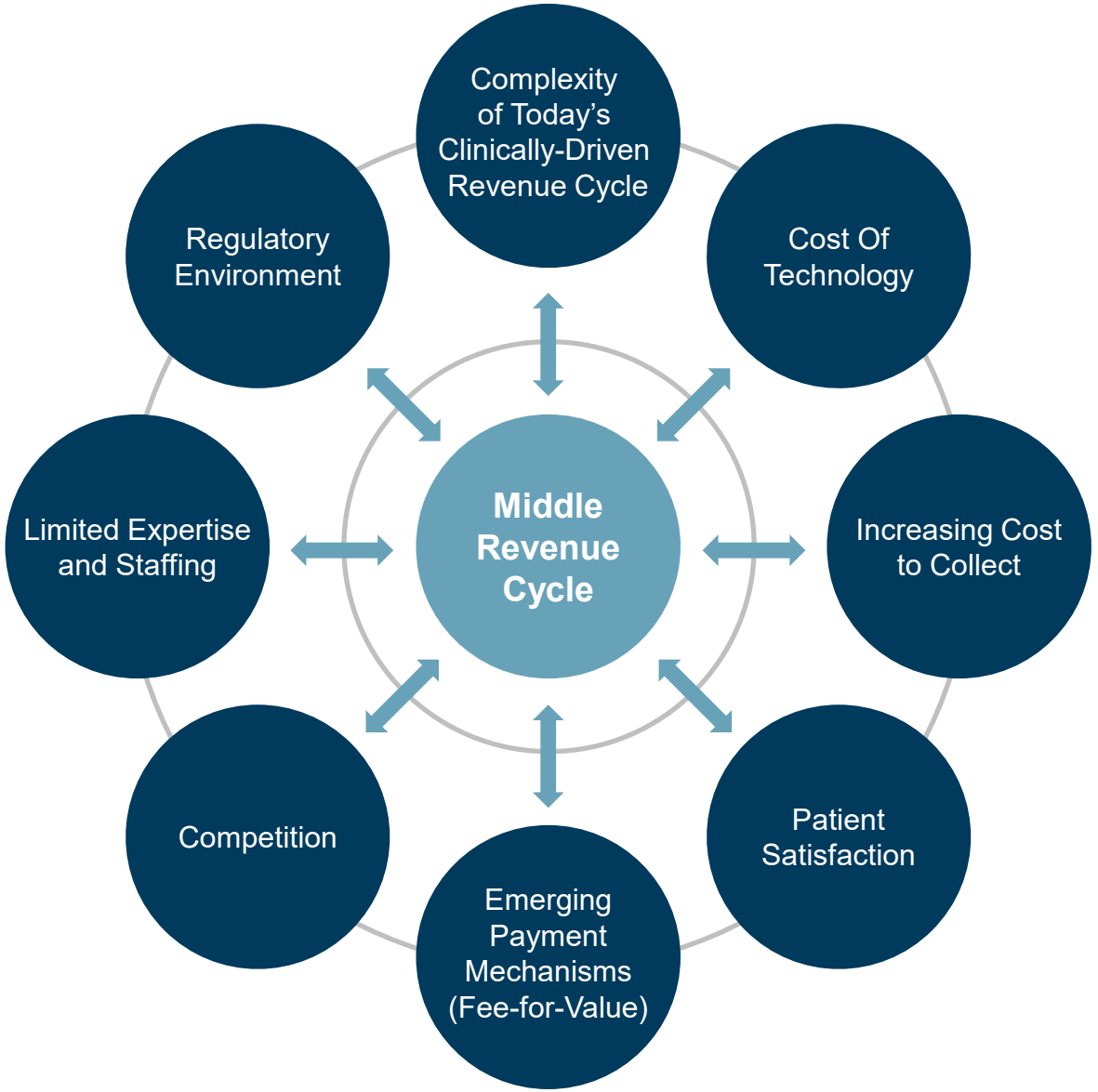
Denny R Roberge | Principal

BerryDunn

October 23, 2023

Revenue Cycle Reality

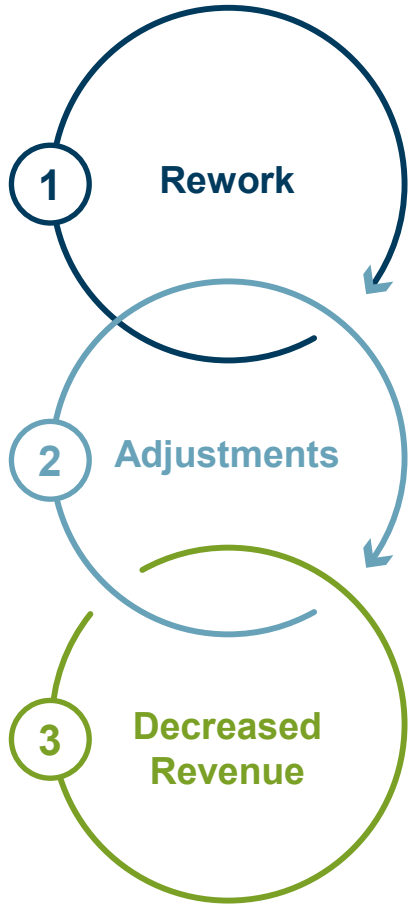
- We need to collect every dollar owed to our organization
- Denials happen along the entire revenue cycle and prevent providers from being paid for service
- Proactive denials prevention is needed to prevent denials and not simply rework



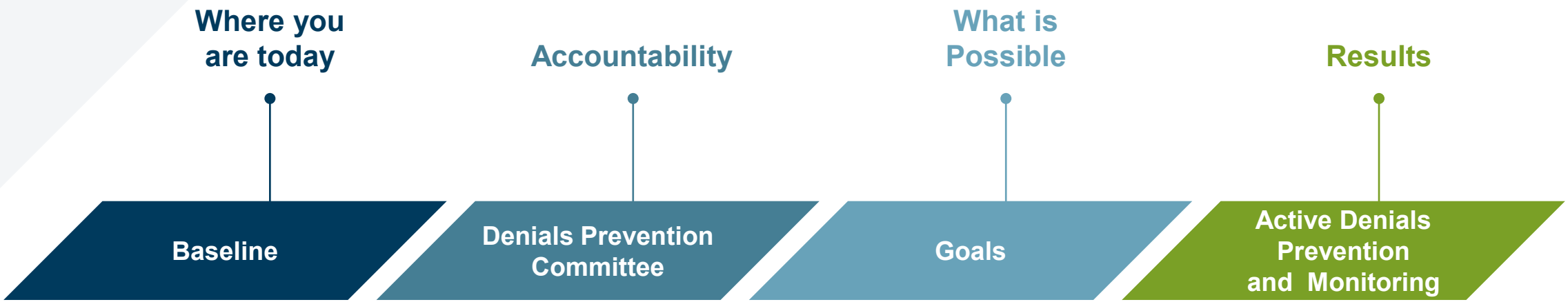
Why Focus on Denials Prevention

- Rework is expensive
  - Rework costs average of $25 per claim
  - Success rates vary from 55% to 98%
  - Rework adds at least 14 days to the average number of days to pay
  - Alternative to rework is writing it off
  - Industry only appeals 35% of denied claims
  - Average Gross Denial Rate for providers is 5% to 10%
  - Write-offs range from 1% to 5% of net patient revenue
- Better alternative is to prevent denials from occurring

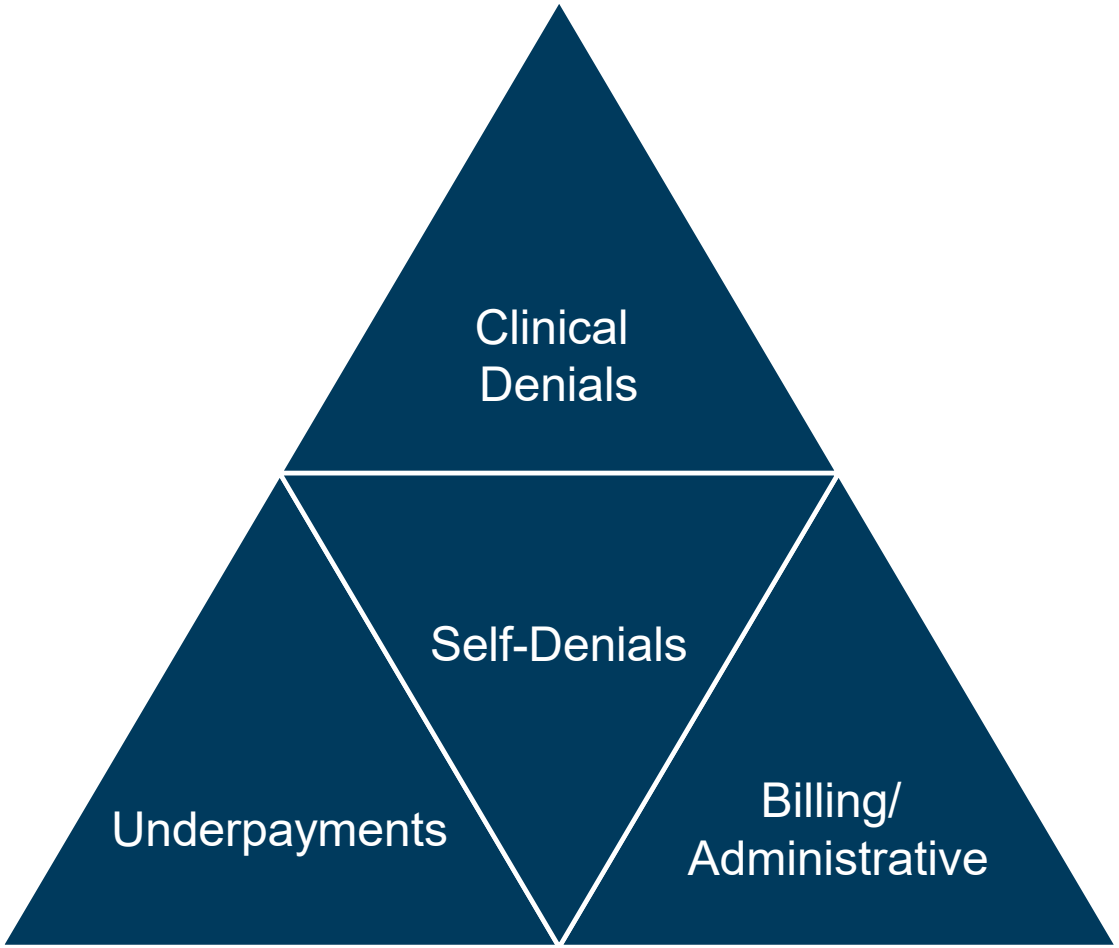
Move From Denial Management to Denial Prevention



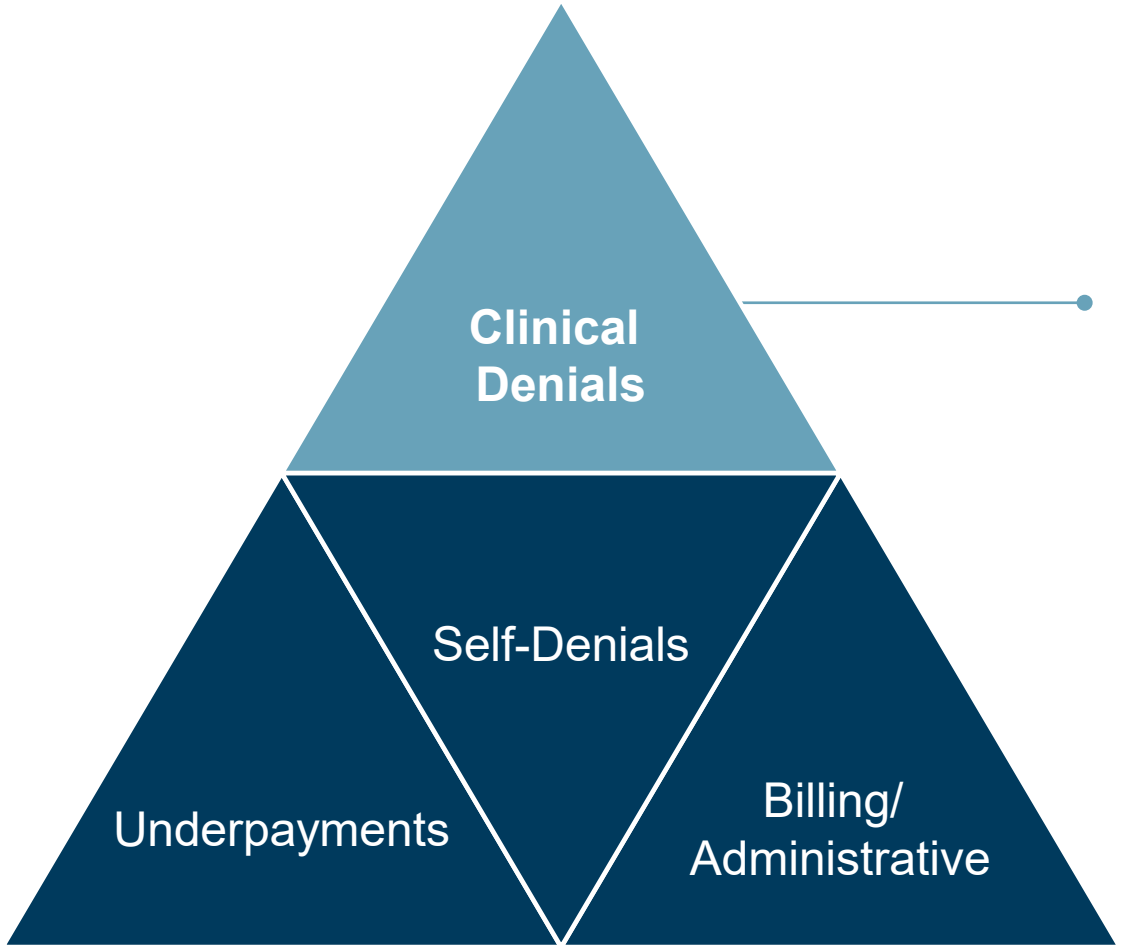
Glide Path For Denials Prevention



Denials Prevention Should Be Holistic



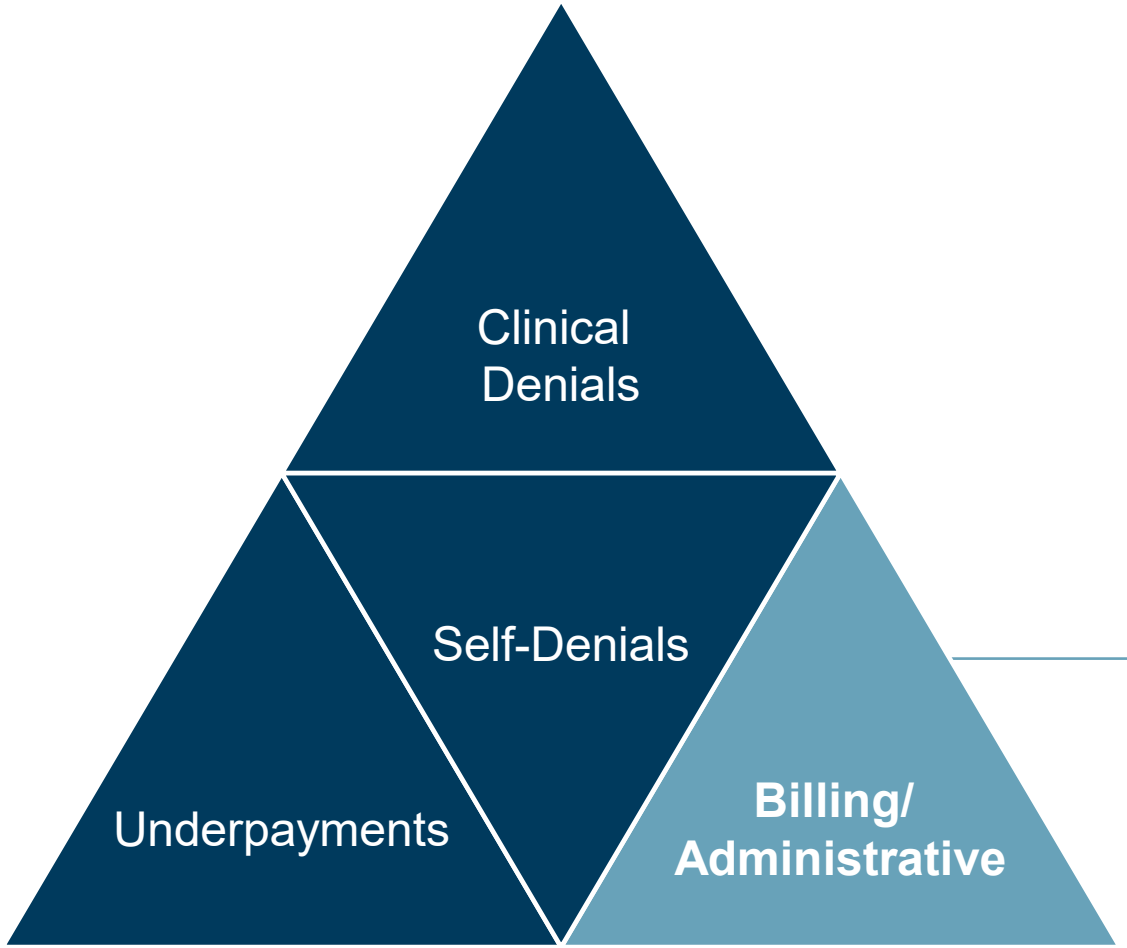
Denials Prevention Should be Holistic



Clinical Denials

- Medical Necessity
- Level of Care

Denials Prevention Should be Holistic



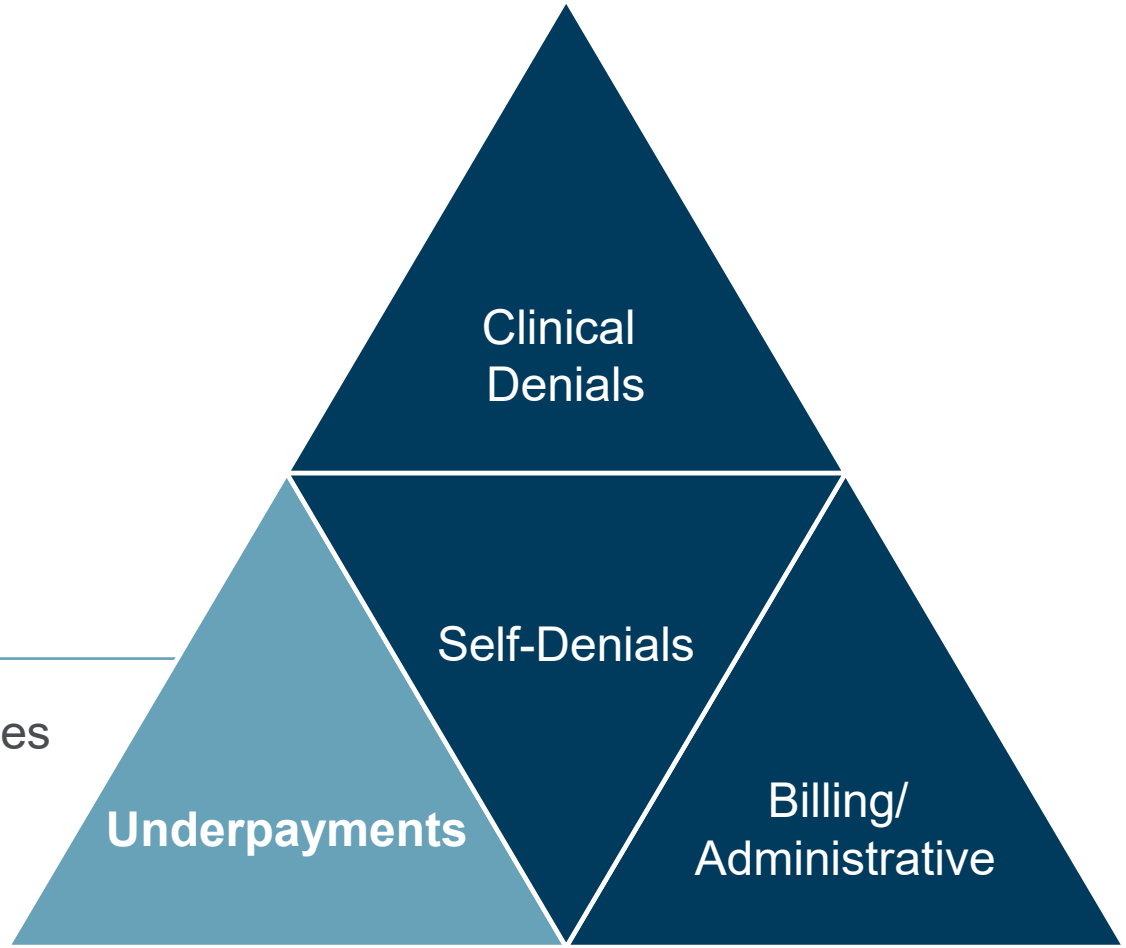
Billing/Administrative

- COB
- Credentialing
- Authorizations
- Referrals

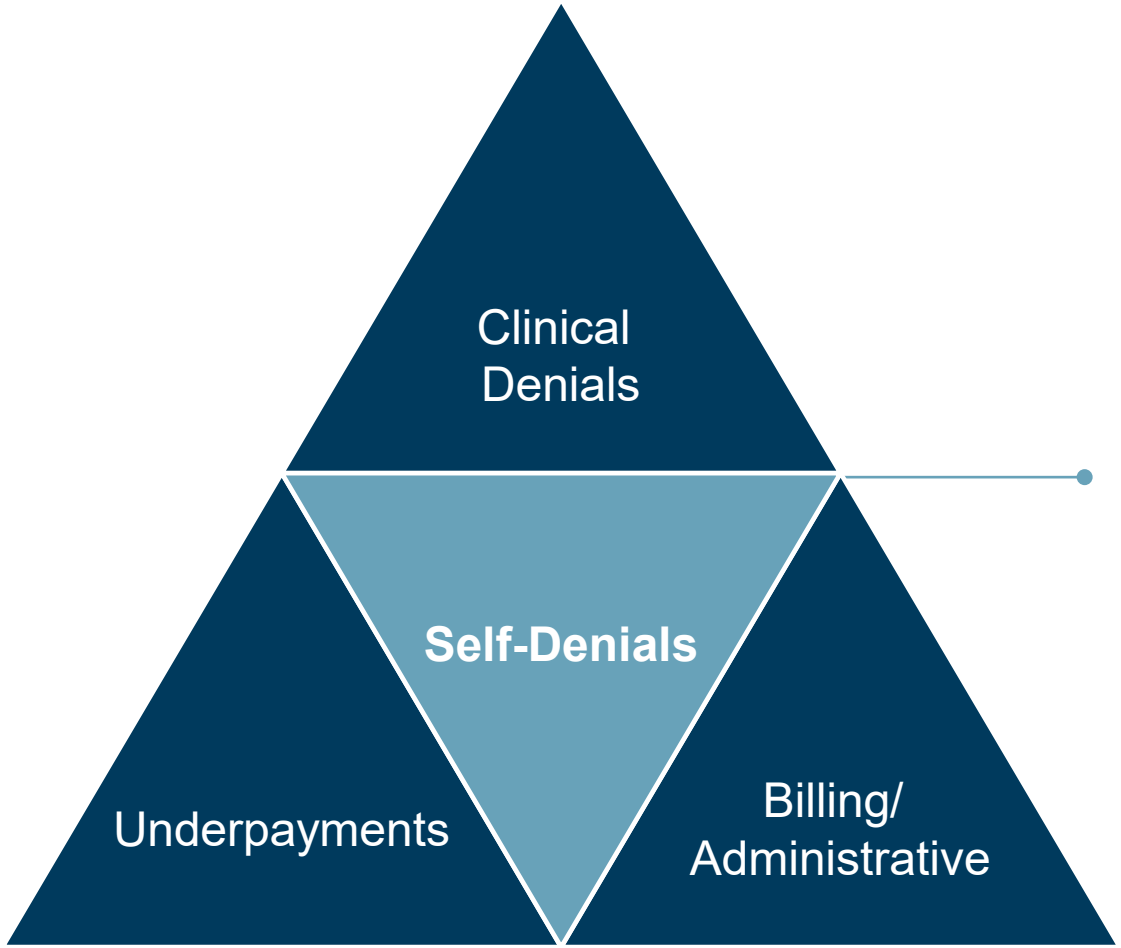
Denials Prevention Should be Holistic

Underpayments

- Contractual Differences
- Pricing Errors



Denials Prevention Should be Holistic



Self-Denials

- Under-coding
- Charge Capture
- CDI (Clinical Document Integrity)
- CDM Errors (Charge Master)
- Compliance

Reporting and Monitoring Denials

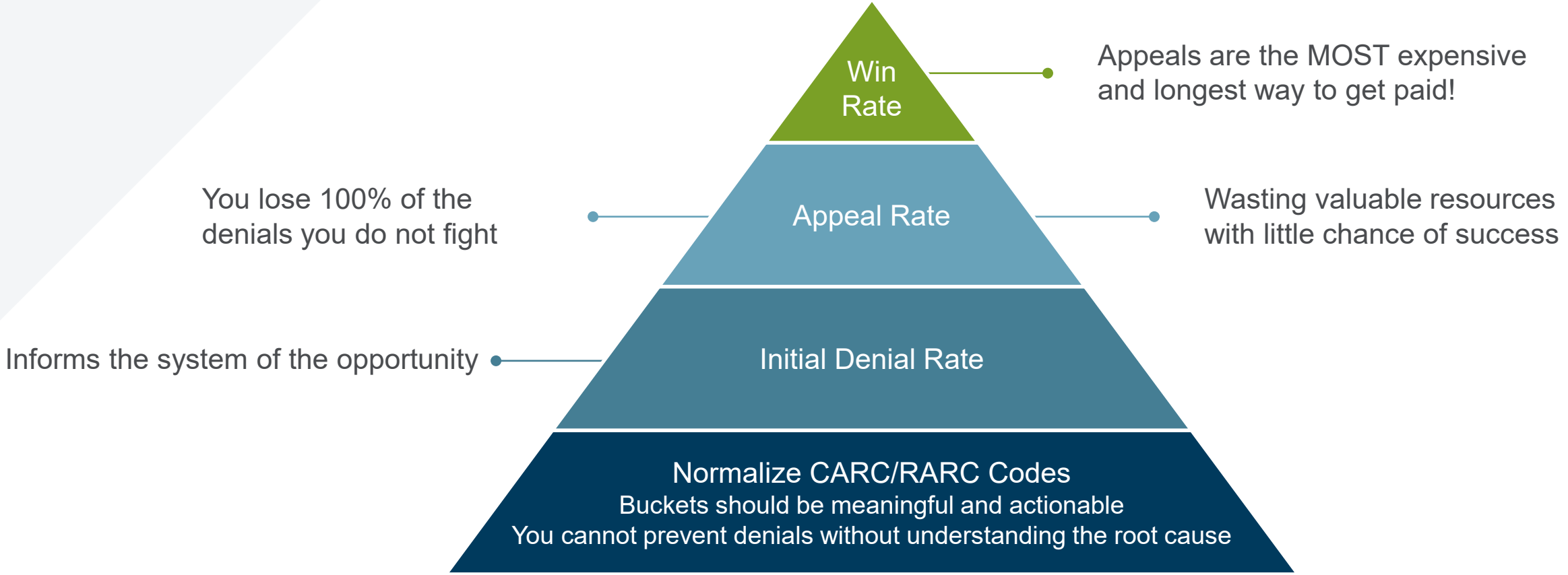
HFMA MAP Keys Provide a Foundation

- Initial Denial Rate: Zero Pay
- Initial Denial Rate: Partial Pay
- Denials Overturned by Appeal
- Denial Write-offs as a Percent of Net Revenue

Need Trends and Details By

- Payor
- Department
- Reason
- Codes (CDM/CPT)
- Dollars and Volume
- Control Charts
  - React to Data and not Emotion

Denials Prevention Reporting



Denial Prevention Committees

Denials Prevention Committee Membership

- The Team
  - Revenue Integrity
  - Managed Care
  - Care Coordination
  - Billing
  - Coding
  - Patient Access
  - IT
  - Department Leaders
- Special Guests
  - Payor Representatives
  - Clinical Leaders
- Organizational Priority Supported by Senior Leadership = Success

Denials Prevention Committee Charter

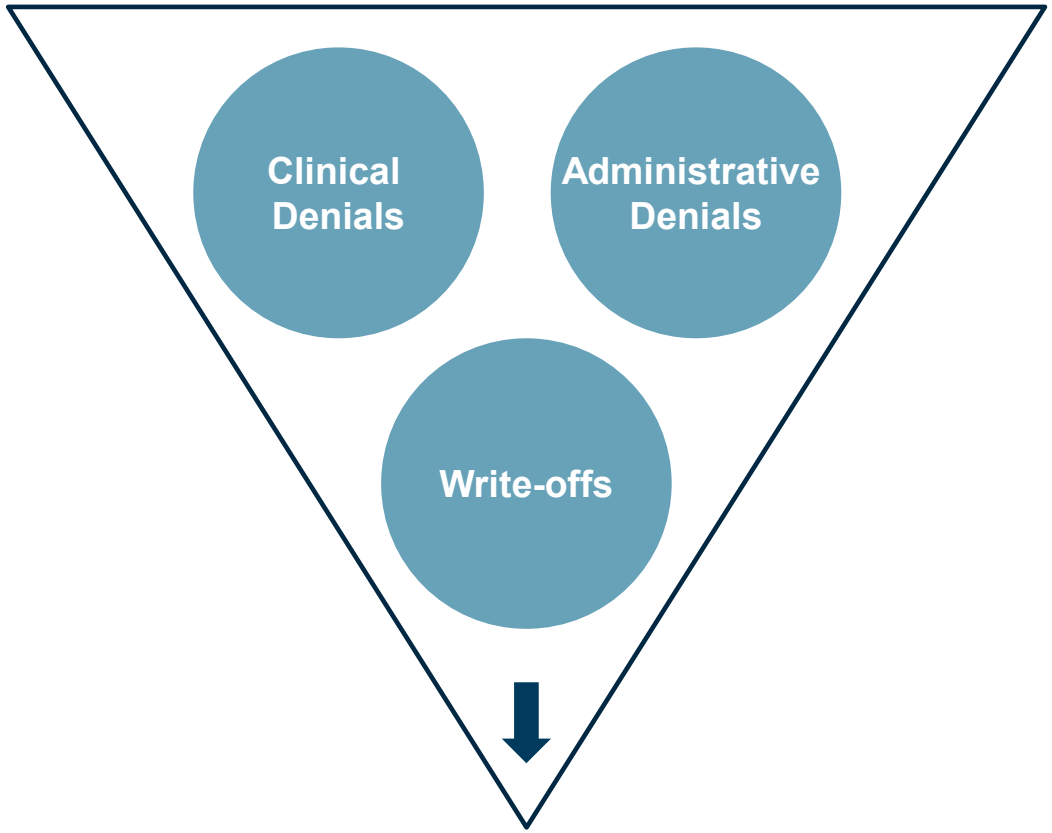
- Denial Avoidance
  - Identification of top issue(s)
  - Finding the root cause
  - Prevention measures
    - Education
    - System build
    - Other
  - Is the fix working—sustainable results
- Tracking and Trending
  - Results
  - Opportunity
  - Prioritization
  - Emerging issues
  - Payor behavior

Follow - up Process

- Who should work denials?
  - Part of A/R follow-up process
  - Dedicated staff
  - Clinical staff
  - Outsource
- Depending on the size or the organization, this combination could vary

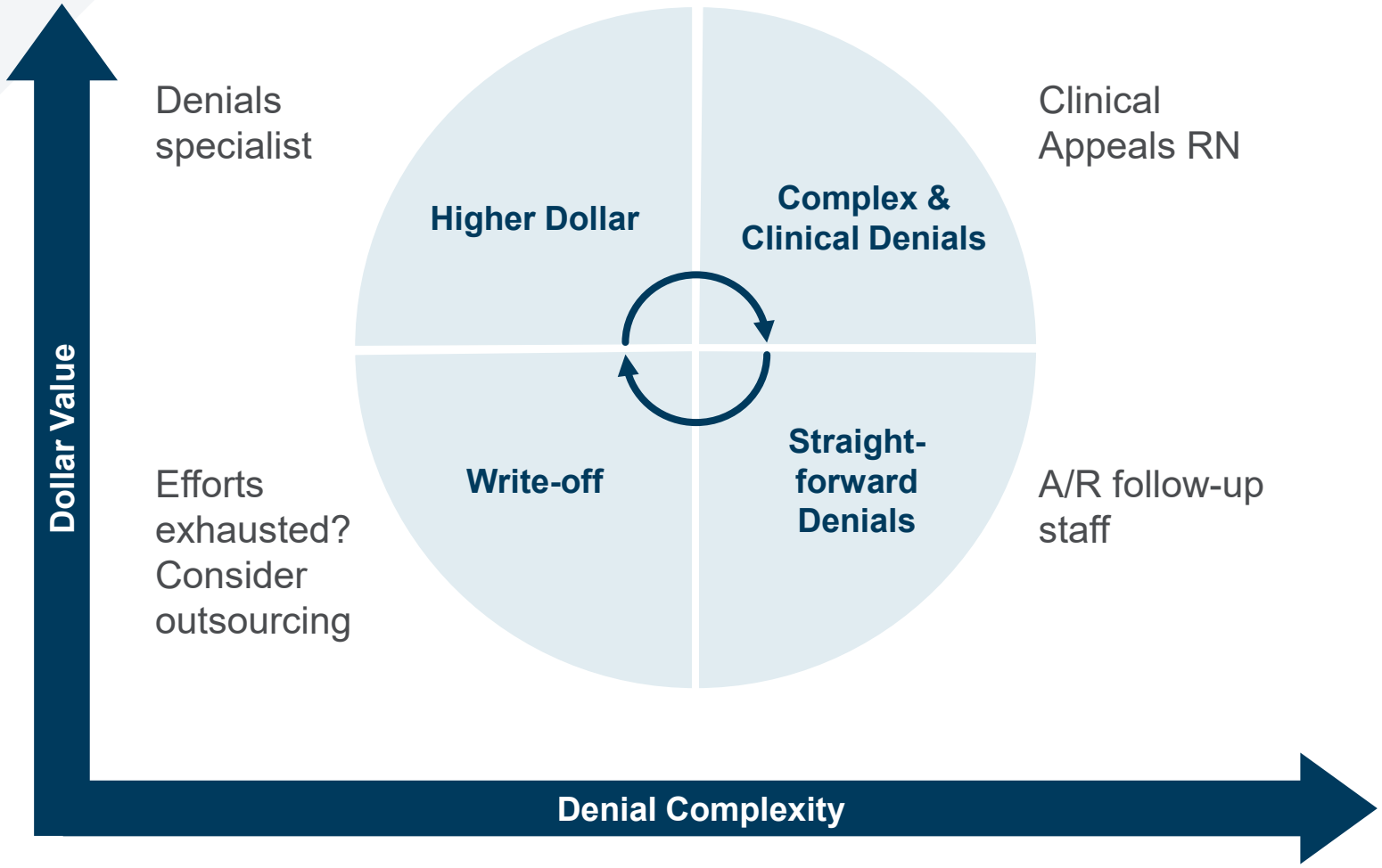
Follow - up Process (Continued)

- Denial follow-up should be the right resource at the right time
- Consider setting up criteria for what role is appropriate to receive and appeal what kind of denial



Which resource?

Denials Criteria



A/ R Follow - up Staff

- A/R follow-up staff should be maximized to follow up on claims
- Qualifying denials
  - Straight forward low-dollar denials
  - Requiring corrected claim
    - Eligibility
    - COB
    - Credentialing
    - Referrals
    - Authorizations

Denials Specialist

- Requires dedicated focus
- May require specific payer forms, cover letter, rebill, etc.
- Consider setting a dollar threshold
- Example:
  - A/R follow-up staff: $200-$4,999
  - Denial Specialist: $5,000-$34,999
  - Clinical Appeals RN: $35,000+

Clinical Appeals RN

Medical necessity, complex and high dollar claims

Formal appeal letter

A good clinical appeal letter will provide evidence from the medical record to support the filed claim

Write - offs

Once denial efforts have been exhausted, consider outsourcing the denial to a third-party agency for one final attempt

Benefit

More cash

Consideration

Balance on A/R longer

Final Thoughts…

- Fight everything!
- Payers do not make it easy to get paid
- Don’t let due dollars go unpaid

Thank You

Denny Roberge
Principal
droberge@berrydunn.com
603.674.8781

berrydunn.com