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Effective Denials Prevention and Management

2024 Mega Conference
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Colleen Goethals, MS, RHIA, FAHIMA
VP, Mid-Revenue Cycle

Welcome

Colleen Goethals,
MS, RHIA, FAHIMA

Colleen has more than 35 years of healthcare experience, vast knowledge of HIM operations and revenue cycle management, and is a subject matter expert on privacy. Her experience includes HIM/Revenue Cycle Regional Director; HIM Consultant; Privacy Officer; adjunct college instructor; speaker; and author.

Colleen is a past AHIMA Board member, past-President of the Illinois Health Information Management Association (ILHIMA), ILHIMA Distinguished Member, an AHIMA fellow, and is NARA Certified in Federal Records Management. She also is the recipient of AHIMA's Triumph Award for Advocacy and Policy.

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About Xtend Healthcare

Senior management has an average of **30+ years experience** in healthcare revenue cycle management

Industry-leading, **award-winning** employee training and education

Heavy technology investment, ($120M annually), **ensuring data security and compliance**

Proven ability to **ramp up quickly** with new clients

Customer service approach that enhances the **patient experience**

Blended approach **optimizes recovery** and communication

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Agenda

- Impact of denials

- Identify root causes and trends

- Mitigating root causes

- Effective appeals

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Increasing negative reimbursement impact of denials

- **89%** of health systems saw an **increase in denied claims** over the past 3 years

- **12%** of hospital claims are initially denied

- **90% of denied claims are preventable**

- **35%** of providers appeal denials even though **66%** of denied claims are **recoverable**

- The average **denial rate** for Payors is **6-13%**
  - For Medicare and Medicaid, it's closer to **10%**

- **51%** of revenue cycle leaders surveyed reported they will be *"more aggressive"* in challenging denial claims in 2023

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Why the focus on denials?

67%
Payor policy changes occurring more frequently

51%
Reimbursement taking longer

43%
Increase in claim submission errors

42%
Overall increase in denials

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Top causes of denials*

48%
Authorizations

Followed by:

- Provider eligibility—42%
- Code inaccuracies—42%
- Incorrect modifiers—37%
- Timely filing—35%
- Patient inaccurate info—34%
  - Including diagnoses to meet medical necessity
- Missing/Inaccurate claim data—33%

*Experian Health survey 2022

Factors for the increase in denials

- Insufficient data and analytics

- Lack of automation

- Lack of denials resources

- Staff attrition and training

- Growing denials backlog

- **Payer policy changes occurring more frequently**

- Pre-authorization tracking

- Technology challenges

Denials requiring an appeal

Days, service level of care denied for no concurrent authorization

Claim denied for elective service without pre-authorization
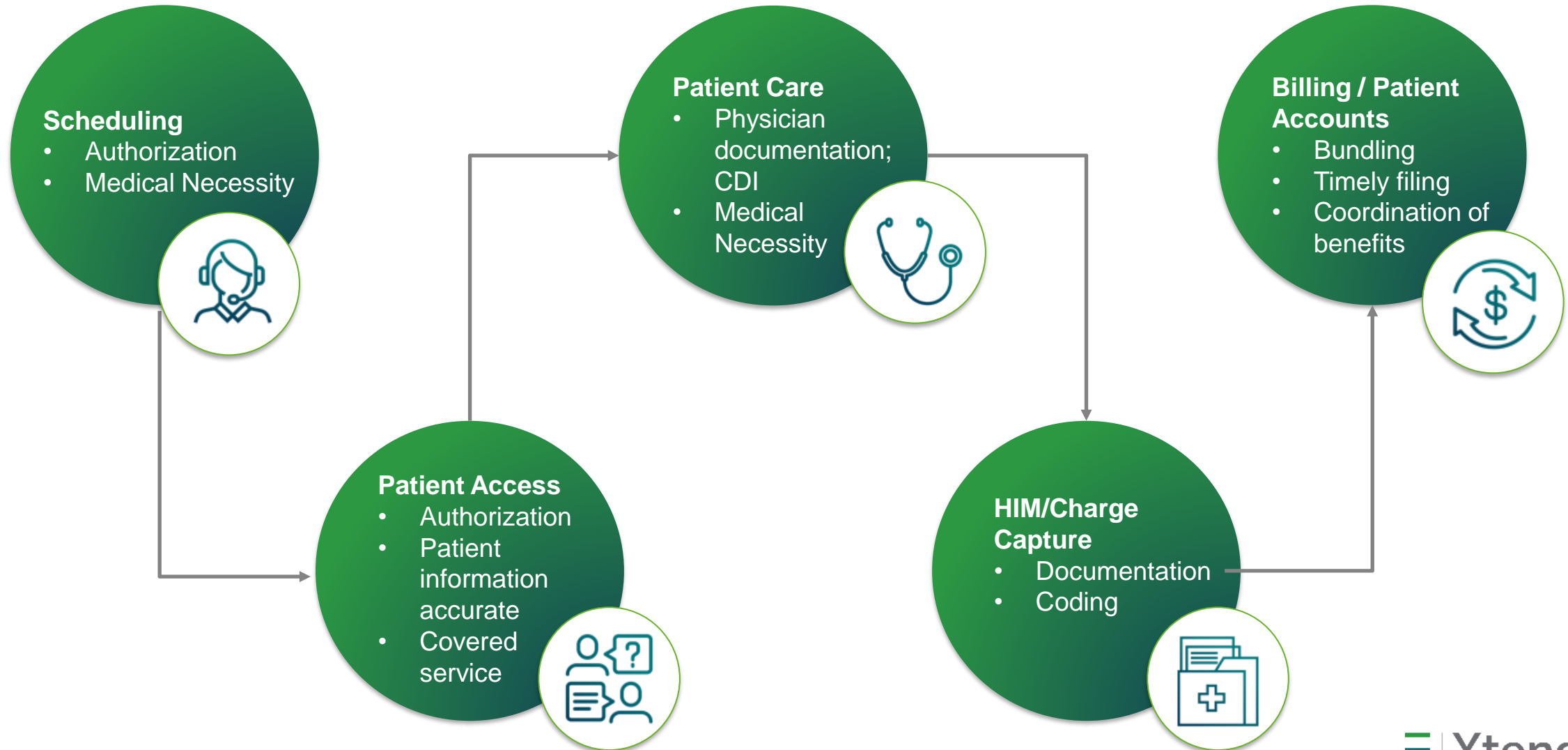
Not a covered service

Charge / procedure as bundled

Timely Filing

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Review workflow

Scheduling
- Authorization
- Medical Necessity

Patient Care
- Physician documentation; CDI
- Medical Necessity

Billing / Patient Accounts
- Bundling
- Timely filing
- Coordination of benefits

Patient Access
- Authorization
- Patient information accurate
- Covered service

HIM/Charge Capture
- Documentation
- Coding

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Data and analytics

- Using denial data to identify root cause is critical

- Document and trend the reasons for denials

- Identify patterns and trends

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Top three denials

Lack of authorizations

Medical necessity

Eligibility

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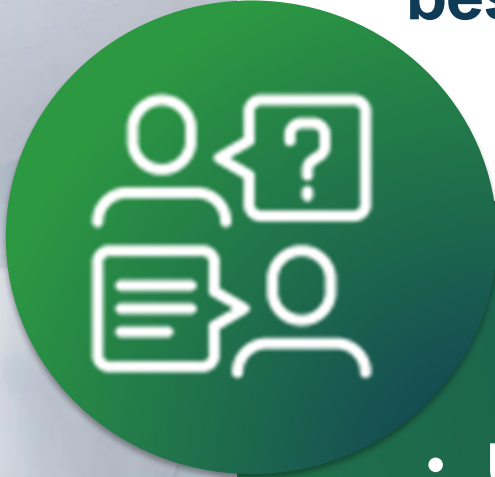
Prior authorization best practices

- Establish prior authorization policies

- Use evidence-based guidelines

- Automate the prior authorization process

- Ensure trained staff on prior authorization processes

- Monitor the prior authorization process

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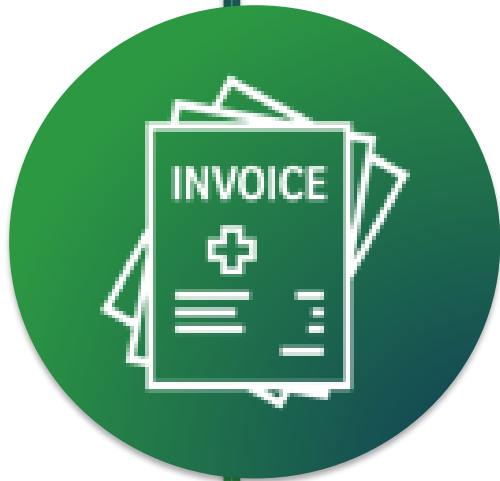# Outpatient Surgery Pre-Certifications / Authorizations

- **No. 1 OP Surgery write-off** = Authorization obtained for the procedure, but a different procedure and/or additional procedures performed
  - Requires consistent review immediately post procedure
  - Clinician needed to request updated Authorization or additional Authorization

- **Review and improve Surgery planning documentation**
- Payors have different categories for IP vs. OP Surgery – often determined by specific diagnosis of patient
- Involve clinician in decision if OP Surgery patient requires a longer recovery period
  - Consider Observation
  - Must be new order and documented medical "complication" of procedure

Strategies

Investigate usage of technology and prior authorization software

Engage with patients

Collaborate with payors

Staff appropriately

Eligibility Denials

- Verification of patient coverage for specific tests, procedure or visit

- Starts with scheduling or pre-registration

- Manual data entry is problematic

- Statistically low percentage check eligibility at every visit

Solution: Automation to identify patient and updated information, verify benefits and update the system

Appealing denials

- Need a strong denials team to write the appeals letters

- 85 – 88% of denials is the recommended appeal rate

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Tips to writing appeal letters

Appeal every case where there is documentation to support the original coding

Keep the appeal letter concise to the reason for the denial

Include Clinical and Coding Expertise to write the appeal

Include the pertinent record excerpts that support the appeal

Include copies of the medical record where helpful

Include official coding guidelines

Include the credentials of those who have reviewed and are involved in the appeal

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In conclusion

Ongoing communication and collaboration

Consistent and timely review of denial data

Successful appeals letter writing

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References

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- *Medical Claim Denial Rates Rising, Highest in Initial COVID-19 Hotspots, M. Gavidia, January 21, 2021*

- *Coding Denials: Effective Appeals HFMA 3/1/2020*

- *Denials Management: Getting to the Root Cause, Denise Wilson & Tracey A. Tomak, Nov. 2019*

- *Top Ten Tips for Denials Management, Kathryn DeVault, AHIMA Journal, April 1, 2020*

- *The State of Claims, 2022 Survey, Experian Health*

- *Mastering Prior Authorization Success: Best Practices for Medical Billing Excellence Patrick Roger, August 2023*

Revolutionize your revenue cycle

Extend your staff and IT assets

Improve your bottom line

Contact Information:

Colleen Goethals, MS, RHIA, FAHIMA
VP, Mid Revenue Cycle
cgoethals@xtendhealthcare.net