



# The Reimbursement Challenge: Insights into New Denials Prevention Strategies

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# Learning Objectives

- Examine data quality as it relates to eligibility and registration
- Identify workflow efficiencies on insufficient documentation and manual processes
- Discuss effective claims processing around minimizing coding and billing errors
- Examine payer connections such as monitoring payer behavior
- Identify pro-active care management: ensuing care is appropriate





# Agenda

- The Denials Obstacle
- The Results are in: 2018 Claim Data Analysis
- Customer Success: Denials Prevention
- Action Items and Next Steps



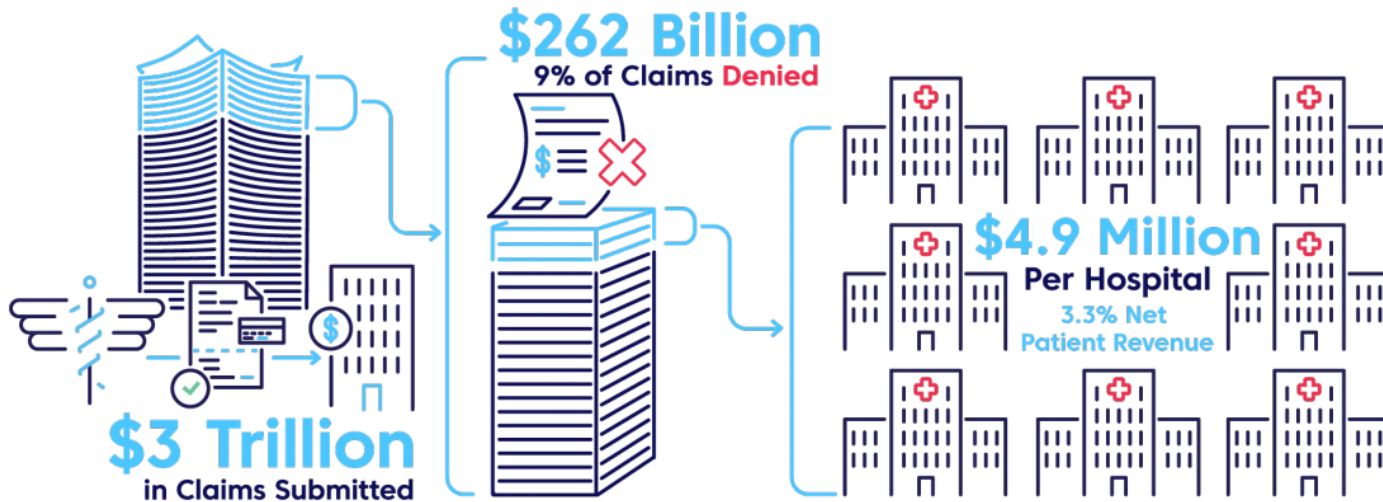


# The Denials Obstacle





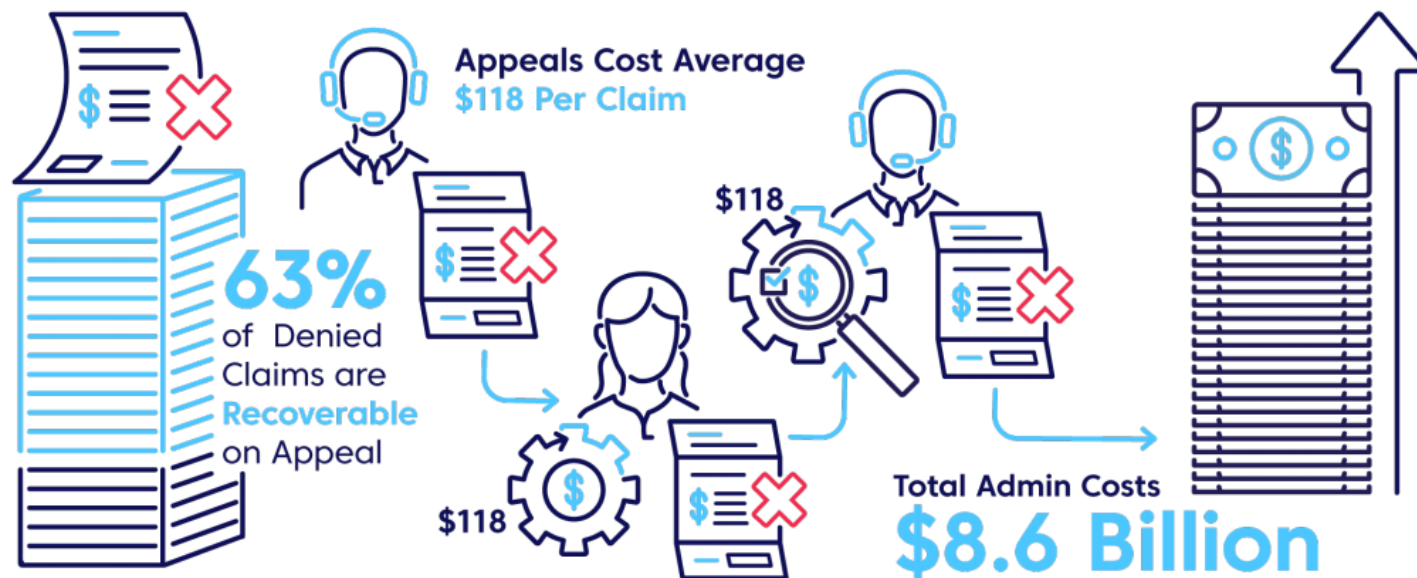
# Denials: An obstacle to timely and complete reimbursement



Based on 2016 Change Healthcare statistical averages for hospital customers.



# Appealing Denials is Costly



Based on 2016 Change Healthcare statistical averages for hospital customers.



# Top Challenges Health Systems Face When Addressing Denials Prevention

- **Data Quality:** Eligibility and registration
- **Workflow Efficiency:** Insufficient documentation and manual processes
- **Effective Claims Processing:** Minimizing coding and billing errors
- **Payer Connections:** Monitoring payer behavior
- **Pro-active Care Management:** Ensuring care is appropriate





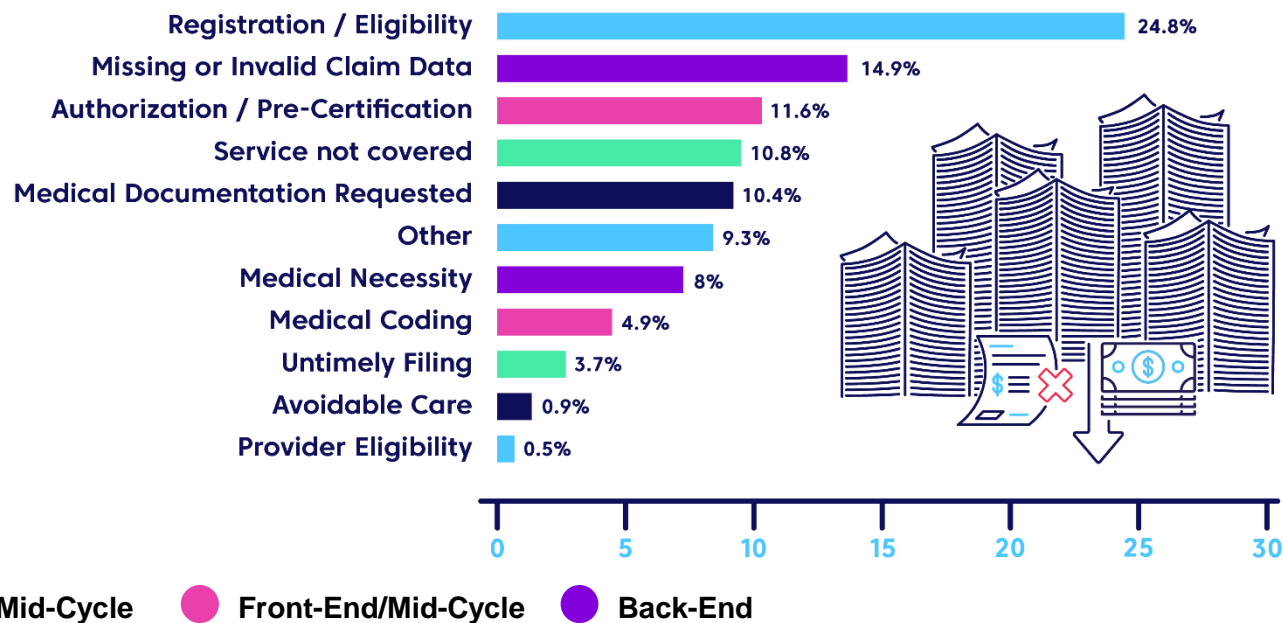
# 2018 Claim Data Analysis Results







# Denial Causes

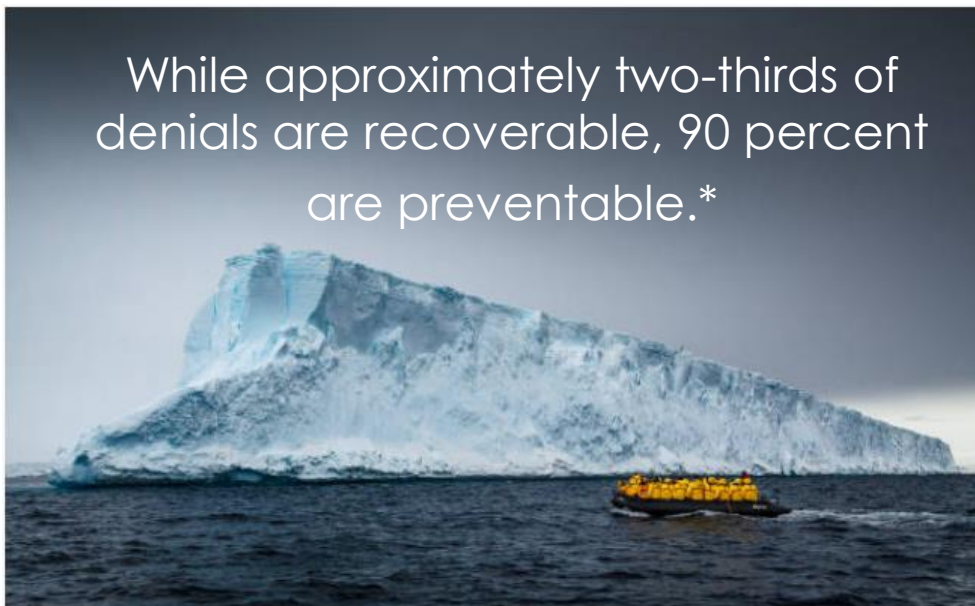


Based on 2017 Change Healthcare statistical averages for hospital customers.



# The Tip of the Iceberg is a Small Indication of a Larger Problem

While approximately two-thirds of denials are recoverable, 90 percent are preventable.\*



\* Source: "An ounce of prevention pays off: 90% of denials are preventable." The Advisory Board Company, Dec. 11, 2014



# Recategorize Each Category of Denials to Better Understand Underlying Reasons and to Prioritize Action

	Un-Avoidable	Avoidable
Non-Recoverable	ANALYZE	PREVENT
Recoverable	MANAGE	PREVENT MANAGE

- Recategorize Denials as Avoidable, Unavoidable, Recoverable and Non-recoverable
- Prioritize denials & appeals queue based on recovery potential & impact
- Identify avoidable denials and recommend action at point of action

Clinical and Technical denial categories can have mixed avoidable or recoverable consequences





# Underlying Reasons for Registration / Eligibility Denials

- Coordination of Benefits 36%
- Plan Coverage 33%
- Benefit Maximum 23%
- Patient Eligibility 8%
- Invalid insurance eligibility 0%
- Eligibility Grace Period 0%

	Unavoidable	Situationally Avoidable	Avoidable
Non-recoverable	0.0%	0%	<b>63.4%</b>
Situationally Recoverable	0.0%	0%	<b>21.3%</b>
Recoverable	0.1%	1%	<b>14.1%</b>

Source: Change Healthcare institutional claims data, 2018





# Customer Success: Denial prevention starts with registration and eligibility



## Mid-West Health System

- Minnesota
- 3 hospitals, multitude of primary care and specialty clinics
- 125 beds

### Highlights

#### Challenges

- Registration errors causing high denial rates
- Insurance plan changes:
  - Real-time eligibility
  - Exchanges and unpaid premiums leading to denials
  - Coverage changes with plan year changes

#### Solution

- Real-time registration QA
- Real-time eligibility verification and coverage discovery

#### Improvements Achieved

- Eligibility verification improvement and stabilization
  - Increased eligible count from <10,000 in 2015 to +20,000 in 2018
- Reduction in registration related denials
  - Denial rates dropped from \$400k in 2015 to <20k in 2018



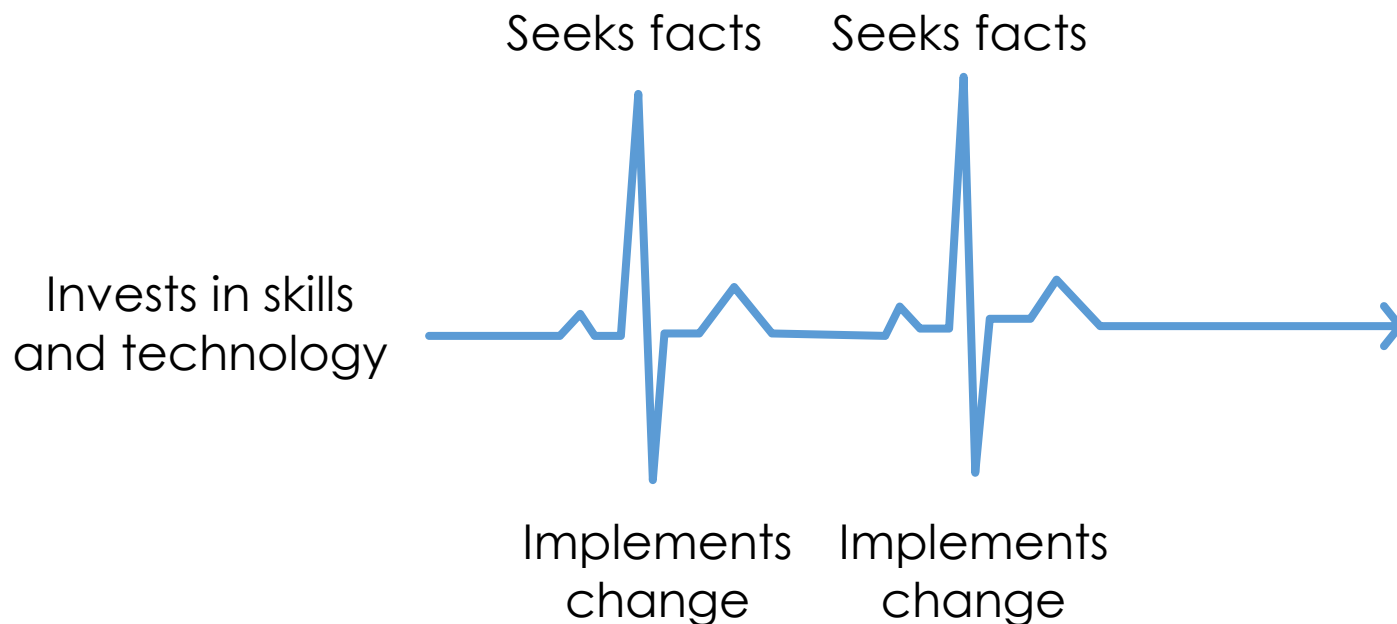


## Action Items and Next Steps



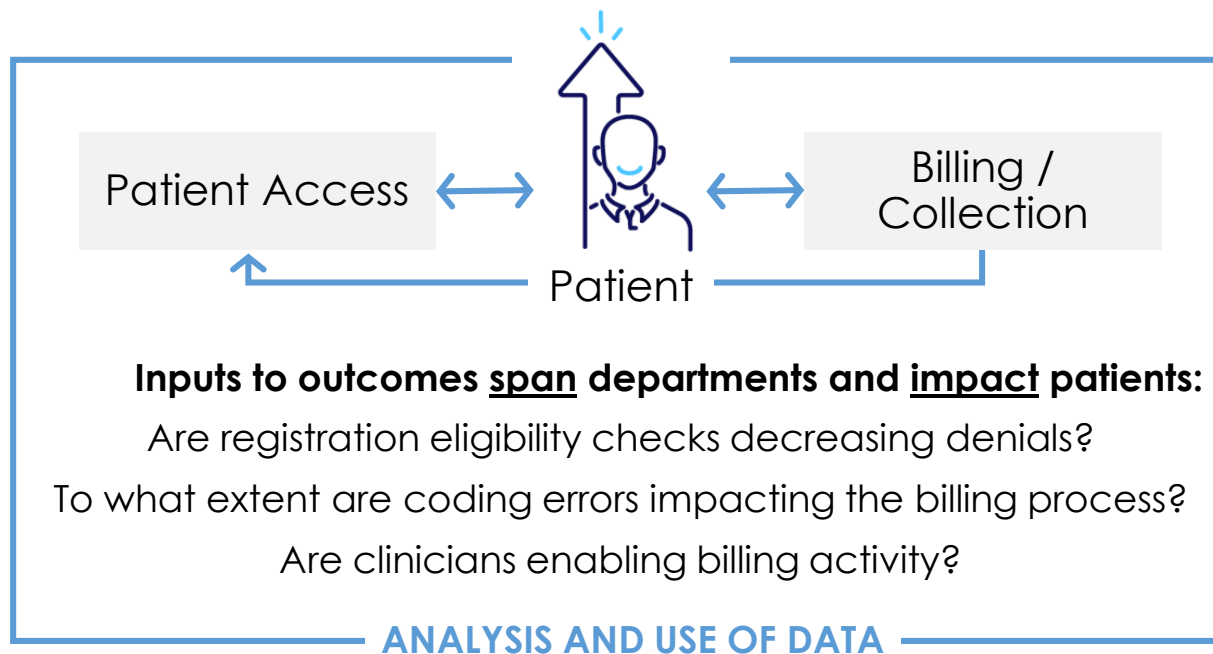


## Ongoing Analysis: Regularly Seek Facts and Implement Change





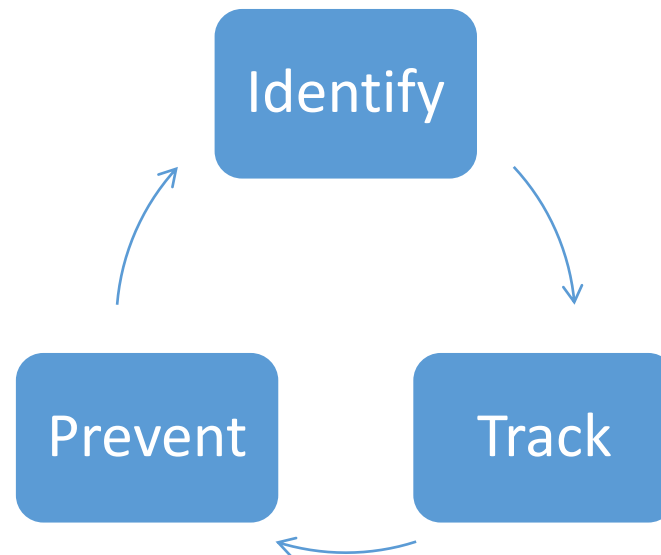
# Create a Data-driven, Patient-Centered Revenue Cycle







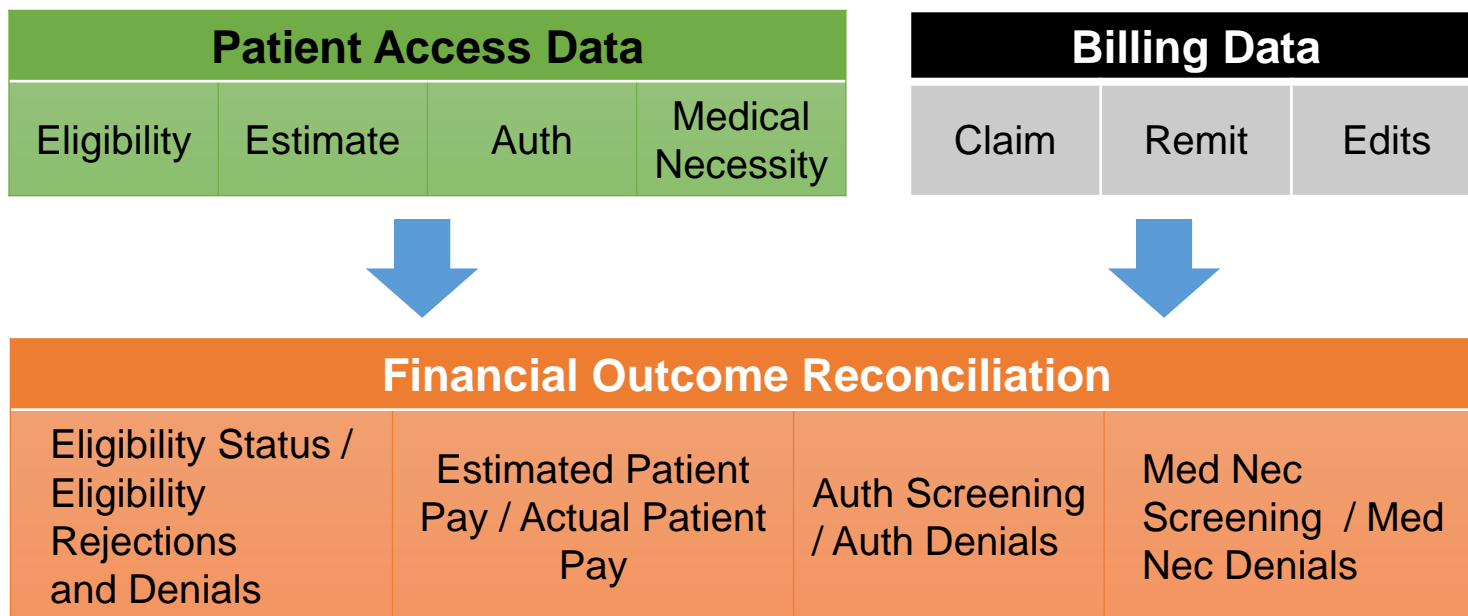
## Do You Have a Data-driven Approach for Your Denial Prevention Strategies?





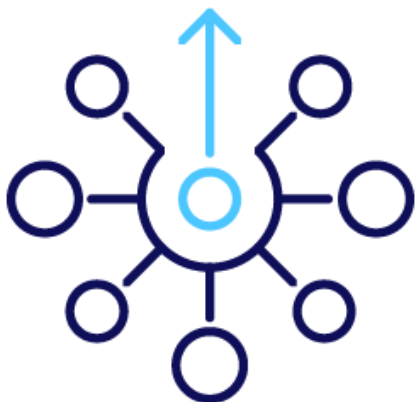
# The Power of Data Integration

Leveraging Data Across the Rev Cycle



## Integrated Data Helps Answer Important Questions:

Are my **estimates** accurate?



Is my **authorization** process more efficient with the technology I purchased?

Is my **eligibility** process working?

# Denial Prevention Strategies



- Root Cause Determination
- Prioritization
- Eligibility
- Registration Data Quality
- Prior Authorization and Medical Necessity
- Claims Process
- Ongoing Analysis Across The Revenue Cycle



## Q&A

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