

FROM HOLY GRAIL TO REALITY

A Cross-functional Approach to Denial Prevention and Management

September 2018



Today's Agenda

- Introductions
- The Impact of Denials
- Common Reasons Denials Occur
- Top Denials Prevention Strategies
- Q&A



Introductions

△ Tony Rinkenberger,
Director of Revenue
Cycle, Ridgeview
Medical Center and
Clinics



△ Carmen Sessoms,
FHFMA, Associate
Vice President, RCM
Advisory Services
Program, Change
Healthcare





Ridgeview Medical Center is an independent, regional health care system serving the Twin Cities west-metro area. Its network includes the Waconia-based acute care hospital, two critical access hospitals, skilled nursing facility, a multitude of primary and specialty care clinics, emergency services and specialty programs.

Ridgeview serves a five-county area of Carver, northern Sibley, southern Wright, western Hennepin and eastern McLeod. Ridgeview is one of the largest employer in Carver County, with more than 2,00 employees and more than 500 volunteers.

Opened in 2011 Two Twelve is a free-standing emergency and urgent care facility located at Highways 212 and 41 in Chaska. Two Twelve Medical Center offers high-quality care in an outpatient setting.



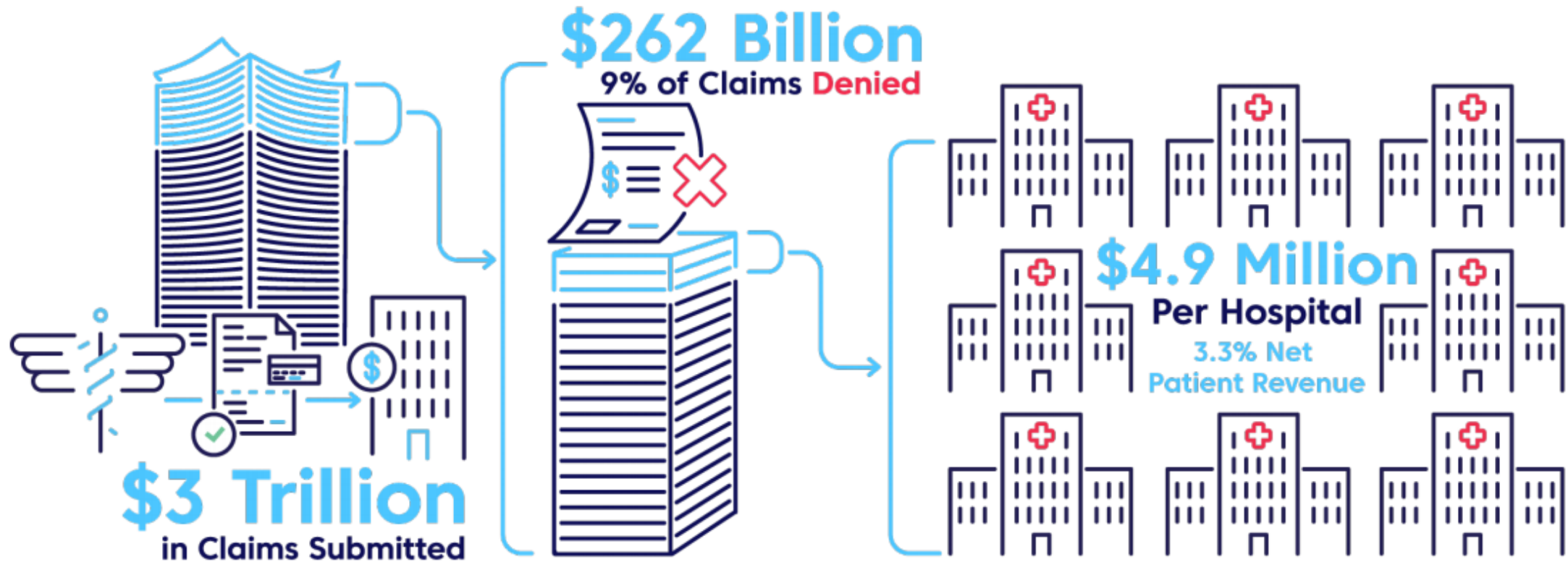
September 2018

The Impact of Denials



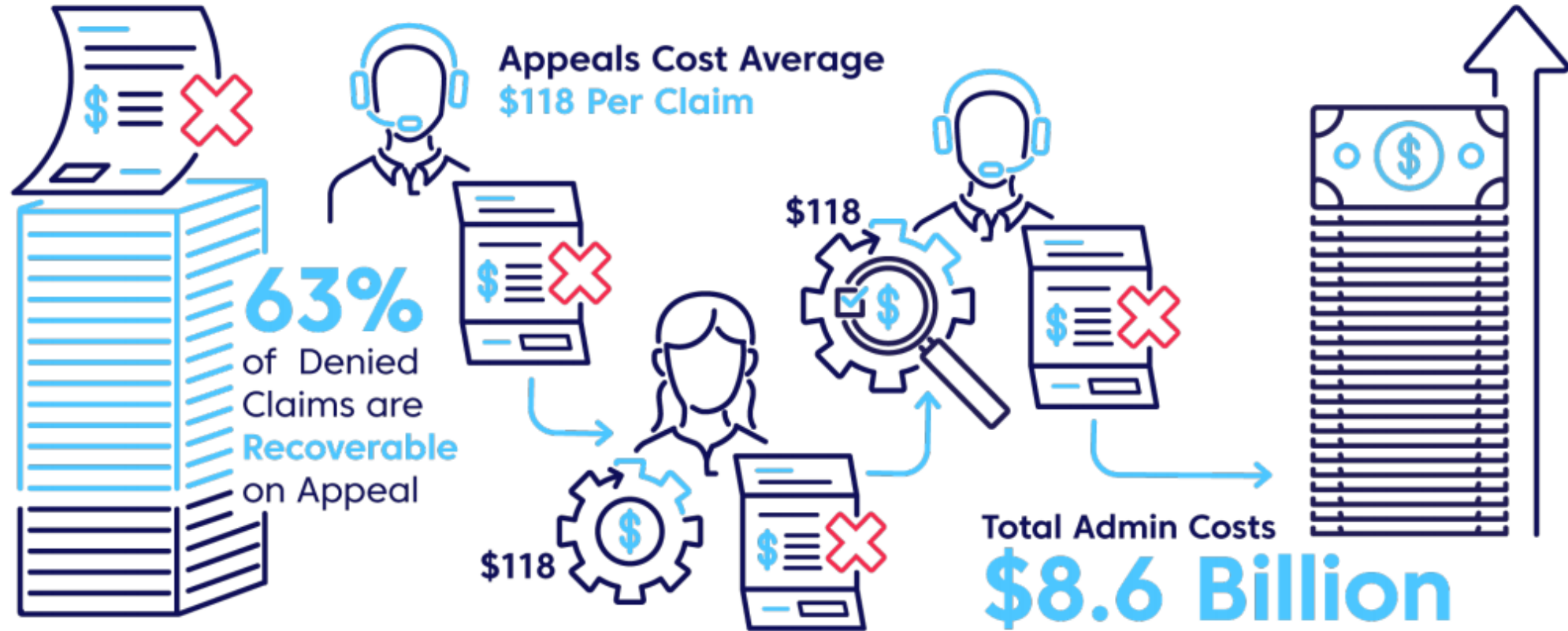
Carmen Sessoms, Associate Vice President, RCM Advisory Services Program, Change Healthcare

Denials: An obstacle to timely and complete reimbursement



Based on 2016 Change Healthcare statistical averages for hospital customers.

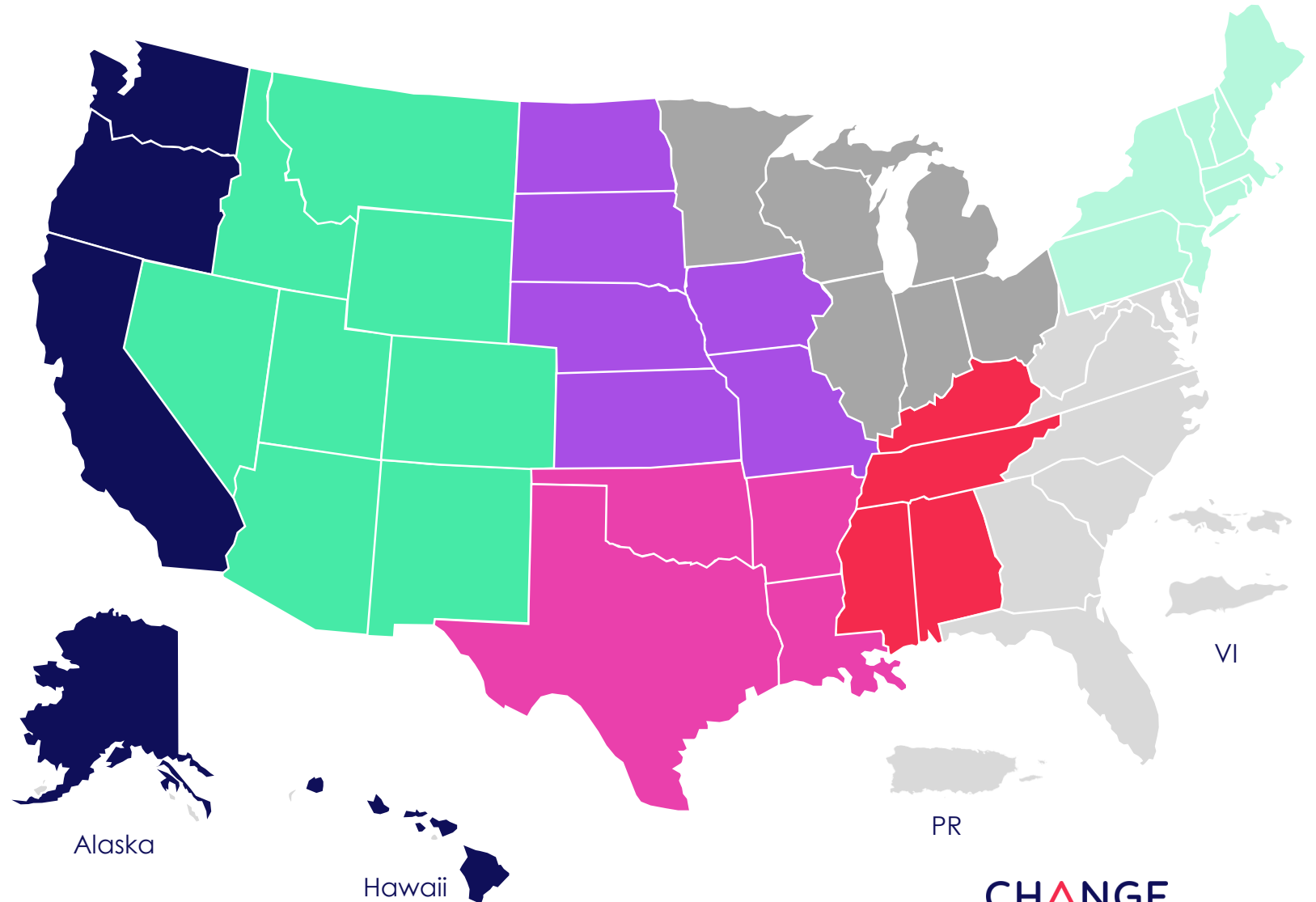
Appealing denials is costly



Based on 2016 Change Healthcare statistical averages for hospital customers.

Denial Rates by Region

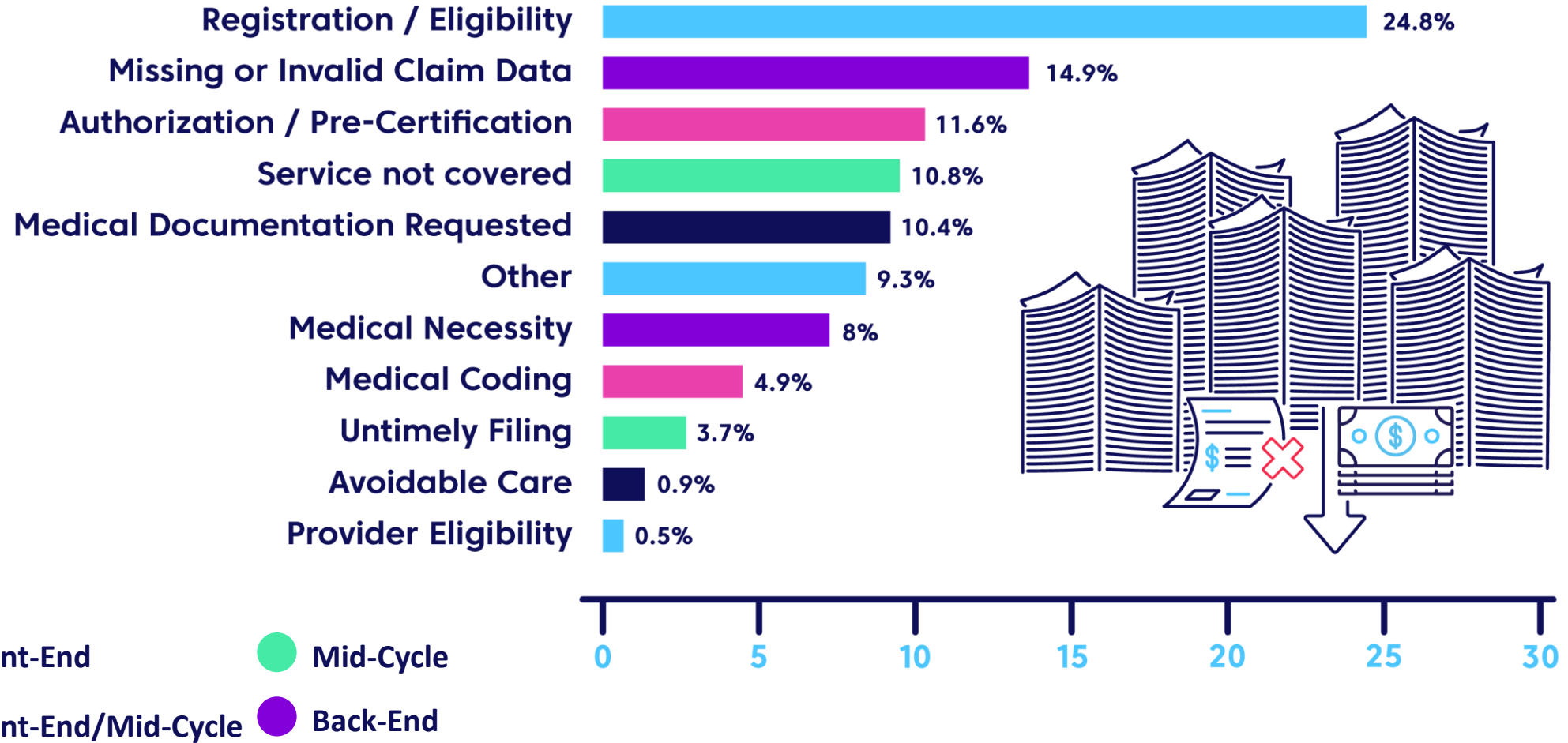
- Pacific **10.89%**
- South Central **10.5%**
- Mid-West **10.32%**
- Southeast **9.33%**
- Southern Plains **8.6%**
- Northeast **8.3%**
- Mountain **6.99%**
- Northern Plains **6.64%**



Based on 2016 Change Healthcare statistical averages for hospital customers.

Denial Causes

Although denials originate across the entire revenue cycle, the largest percentage are associated with front-end patient access processes.



Based on 2017 Change Healthcare statistical averages for hospital customers.



Top Denial Prevention Strategies

Tony Rinkenberger, Director of Revenue Cycle, Ridgeview Medical Center and Clinics

Denial Prevention Strategies



Root Cause Determination

Prioritization

Eligibility

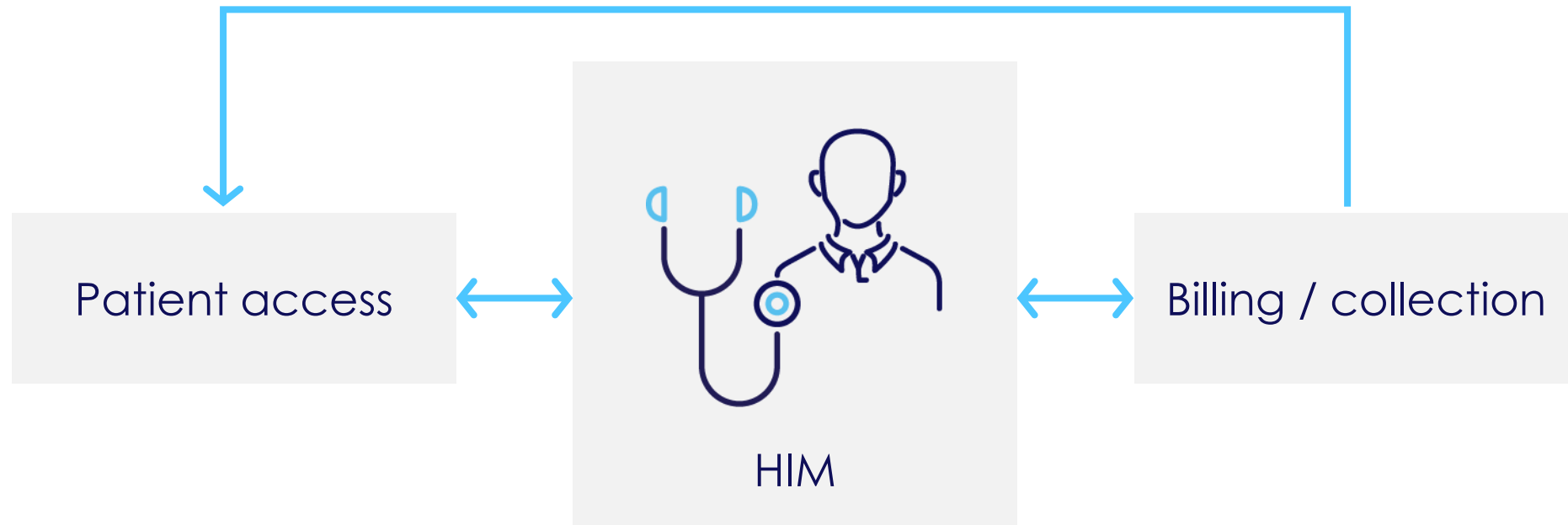
Registration Data Quality

Prior Authorization and Medical Necessity

Claims Process

Ongoing Analysis Across The Revenue Cycle

An analytics-driven revenue cycle enables a cross-functional approach to denial prevention



Analysis and use of data

The first steps in denials prevention - analysis

1. Root Cause Determination



Where are denials originating?

- △ Patient Access and Registration
- △ Insufficient Documentation
- △ Coding/Billing Errors
- △ Payer Behavior
- △ Utilization/Case Management

2. Prioritization



•Which has the greatest impact?

- △ A certain physician
- △ A particular service line
- △ A specific payer
- △ A certain type of code
- △ A process redesign

Do you have this data? Is it accessible in a timely manner? Do you trust it?

Prevention Strategies - Eligibility

Eligibility denials often occur when a payer is no longer responsible

Root-cause analysis may reveal that staff isn't performing a thorough eligibility verification

Confirm eligibility at scheduling, three days before elective visits, on the date of service, and before submitting the claim.

For emergency patients, check eligibility at point-of-service

Contact patients who underwent unscheduled procedures within 24 hours

Denial Reason
Registration / Eligibility
Duplicate Claim / Service
Service not covered
Missing or Invalid Claim Data
Medical Documentation Requested
Authorization / Pre-Certification
Medical Necessity
Medical Coding
Untimely Filing
Coordination of Benefits

Prevention Strategies – Registration Errors

Revenue cycle success

starts at Registration

Apply business rules to examine registration data to help ensure it's accurate, complete and consistent

Fix errors in real-time

workflow to prevent downstream denials

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Prevention Strategies – Authorization and Medical Necessity

Denials for Authorization and Medical Necessity **are costly**

Pre-auth issues are usually due to:

- △ Failure to secure the auth
- △ Clinically-driven change in the procedure – most often the cause of chronic denials

Denial Reason
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Denial prevention starts in patient access

Secure Authorization

Identify Changes to Scheduled Procedures

- Pre-Service team review
- Current orders and auth changes

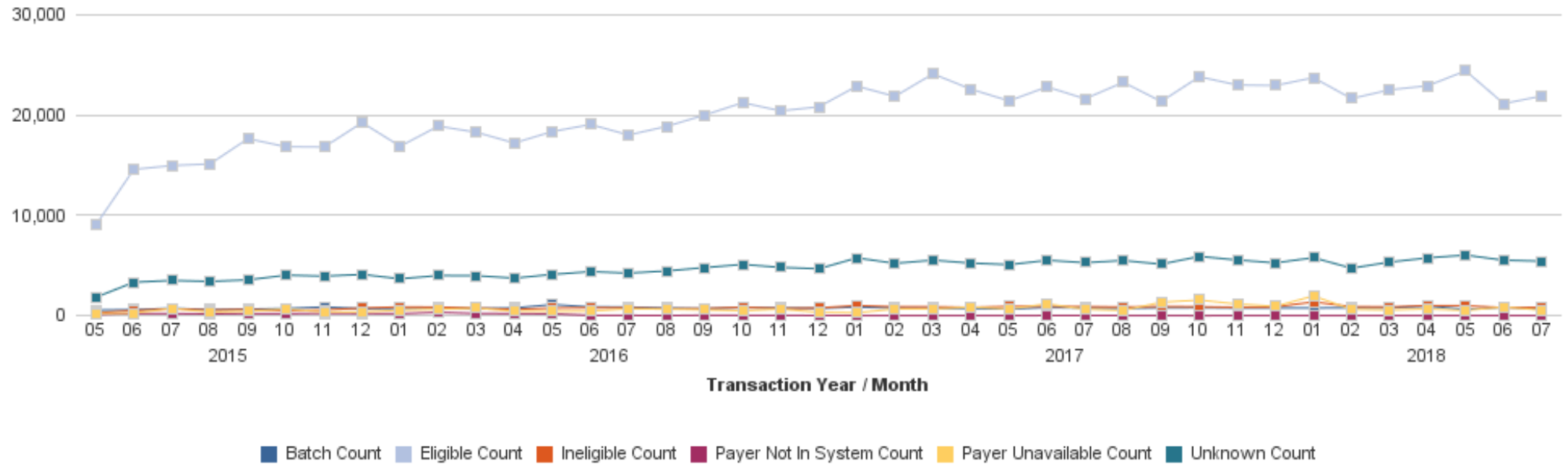
Insurance Plan Changes

- Real-time eligibility
- Exchanges and unpaid premiums can lead to denials
- Coverage change with plan year changes



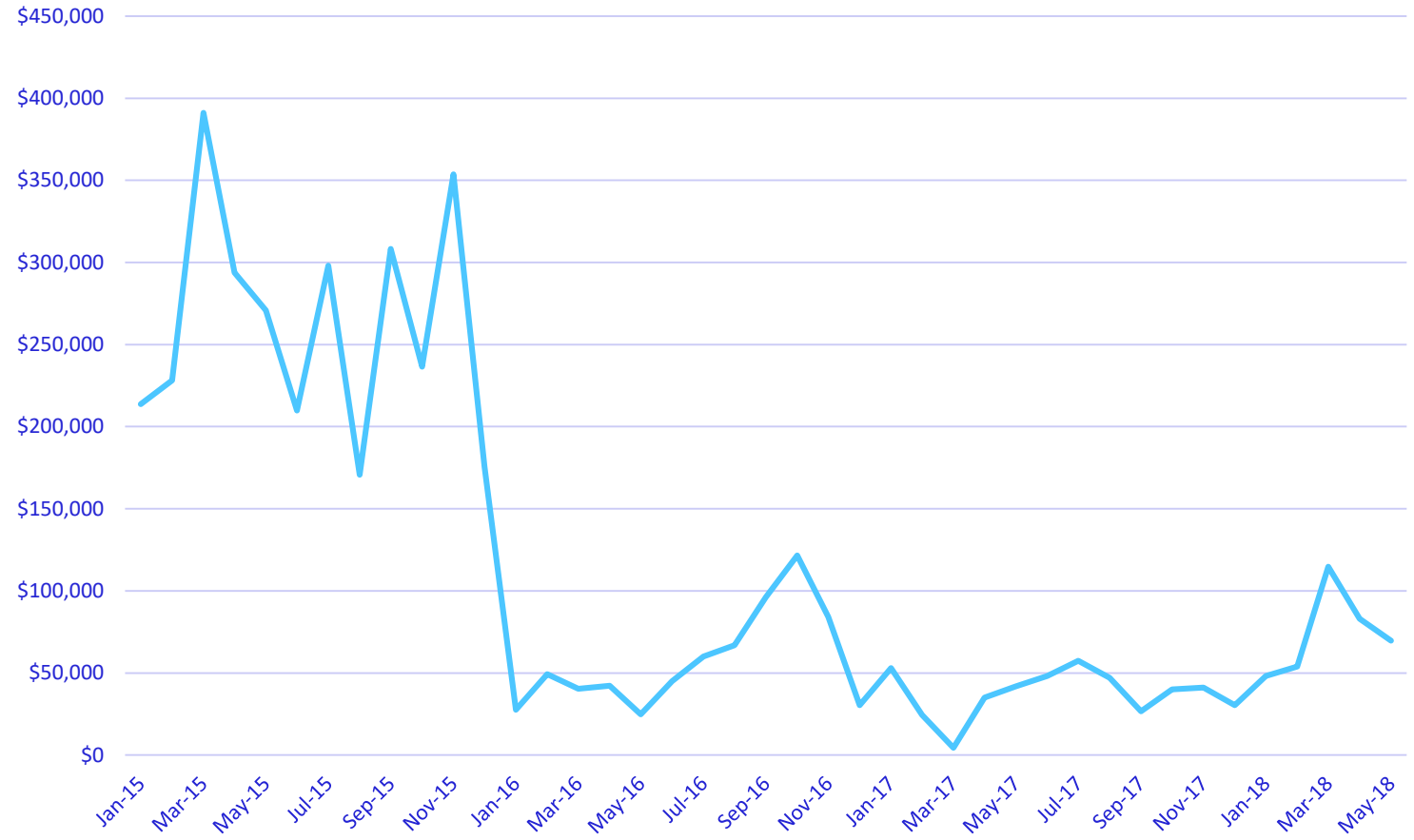
Eligibility verification improvement and stabilization

RIDGEVIEWWMN



Registration quality improvement and stabilization

Drop in registration denials



Denial prevention continues in mid-cycle

UR/Case Management

- Updating clinical data for continued stay approvals
- Involve Medical Director when peer-to-peer is needed
- Validate medical necessity

Coding Team

- Educate physicians on documentation issues that lead to denials.

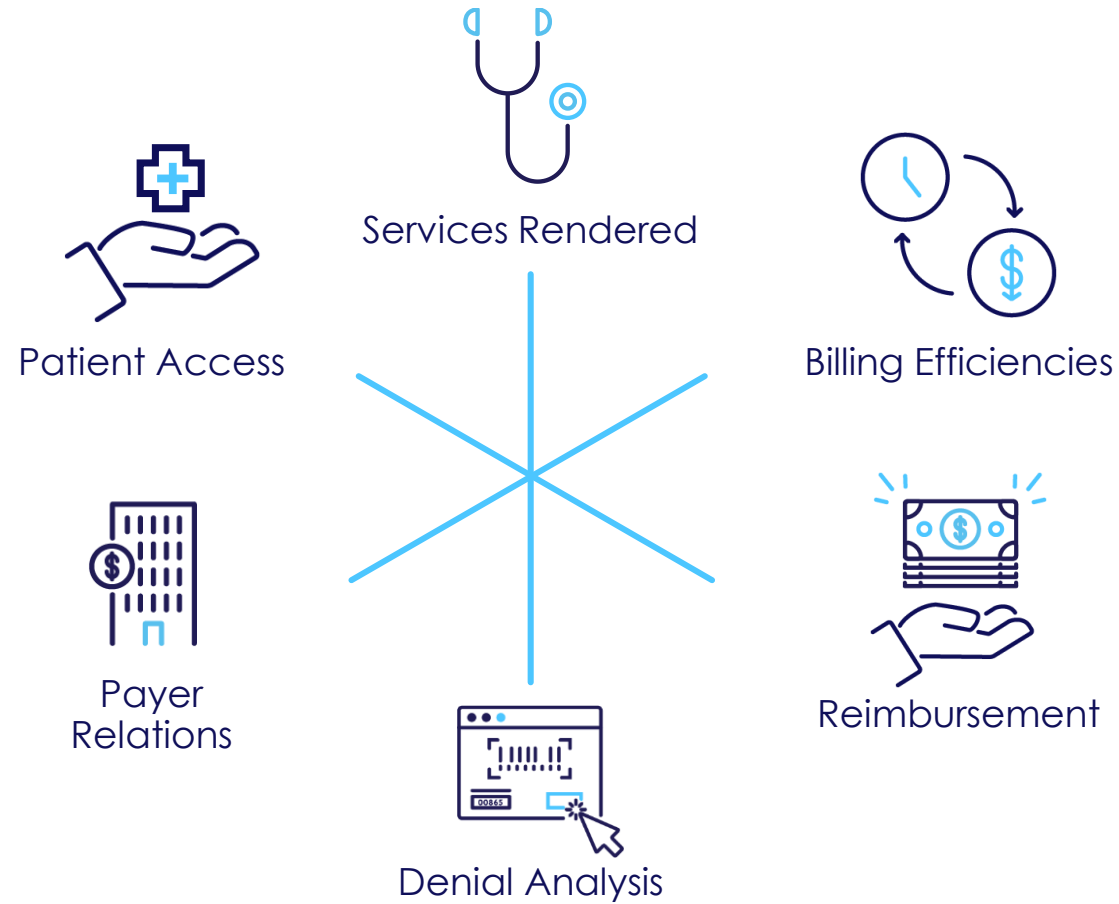


Prevention (and Management) Strategies – effective claims process

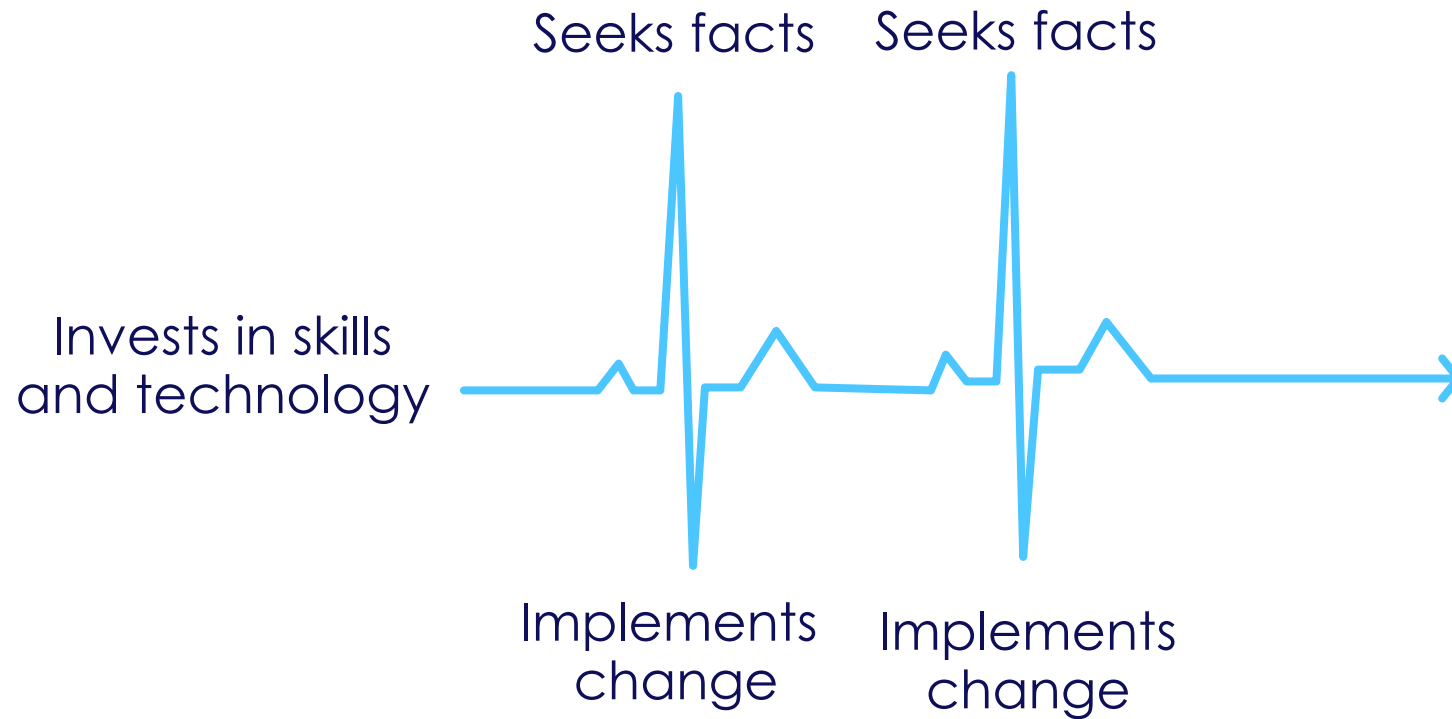


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The last step, same as first...ongoing analysis across the revenue cycle

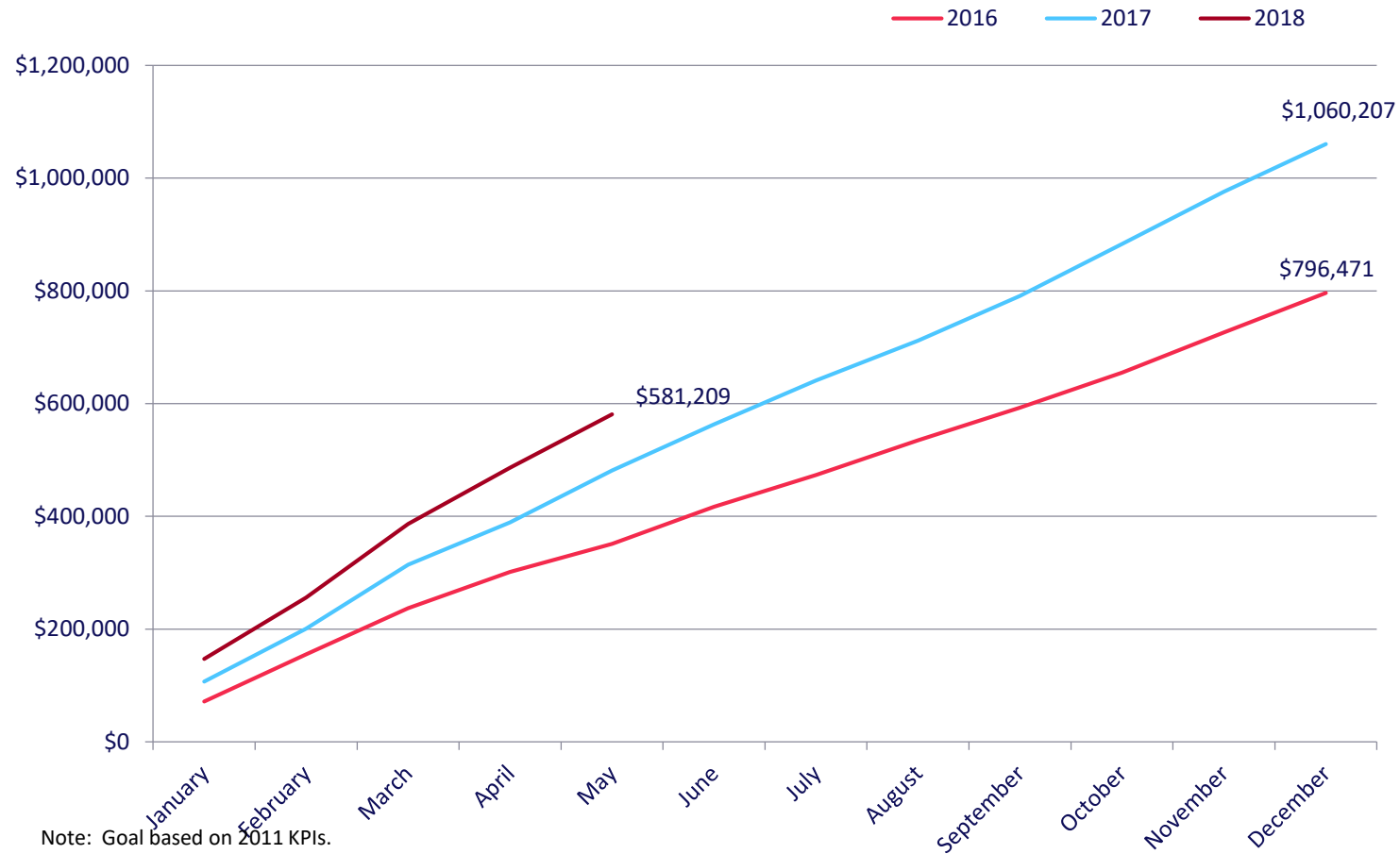


Ongoing Analysis Regularly seek facts and implement change



Analysis drives targeted education to help prevent denials

PARAGON - Point of Service



End-to-End Revenue Cycle Management



Improves patient registration data accuracy to help:

- Identify errors in real time
- Focus on getting claims paid versus corrected
- Provide visibility through various reports and metrics
- Improve staff efficiency



Clears the path with patient financial visibility to help:

- Verify insurance eligibility
- Increase self-pay collections and reduce bad debt
- Determine propensity to pay
- Improve work flow efficiency and staff productivity



Optimize the patient pre-authorization and medical necessity processes to help:

- Increase staff efficiency
- Provide consistent workflow
- Reduce risk of denials and bad debt
- Improve patient engagement



Assure the fastest route to remittance to help:

- Reduce A/R days
- Maximize claim and remittance processing efficiency
- Reduce claim errors and denials



Analyze opportunities across the revenue cycle:

- Assess operational and financial performance
- Increase financial visibility
- Isolate root cause of issues



Summary

1. Always start at the beginning
2. Collect your data
3. Follow the data
4. Consult the experts (internal/external)
5. Have a plan – and experiment, try something new
6. Set goals and be ready to be surprised



CHANGE
HEALTHCARE



Questions & Answers