

Denials Management Research Summary Report

A survey conducted by HFMA, sponsored by Waystar

April 2023

hfma™



Overview

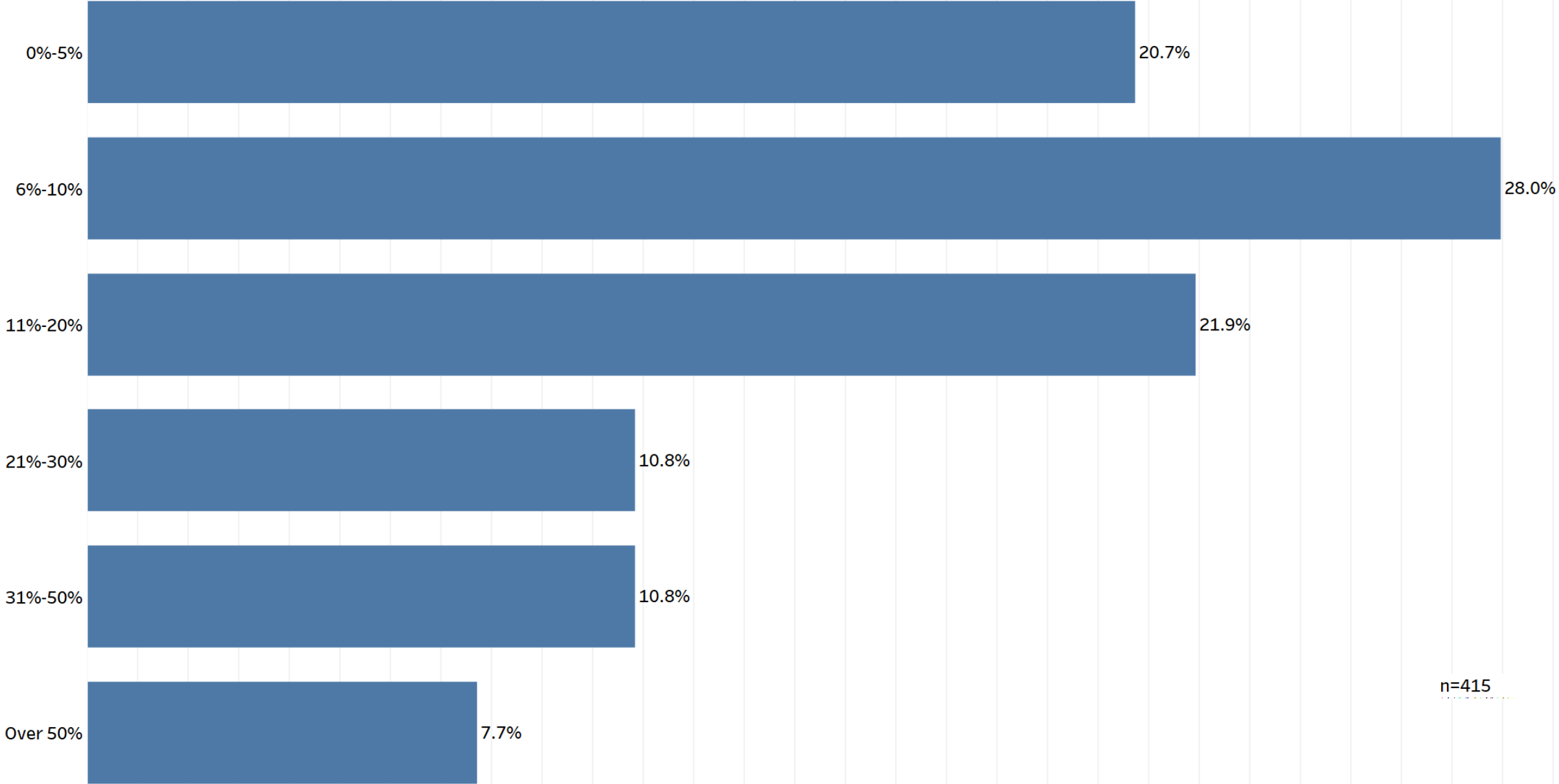
Online survey fielded February 21 – March 10, 2023

5,071 HFMA member invitees

- 415 respondents
- Job levels include:
 - Director and above Revenue Cycle
 - Director and above Patient Access
 - VP Finance
 - CFO

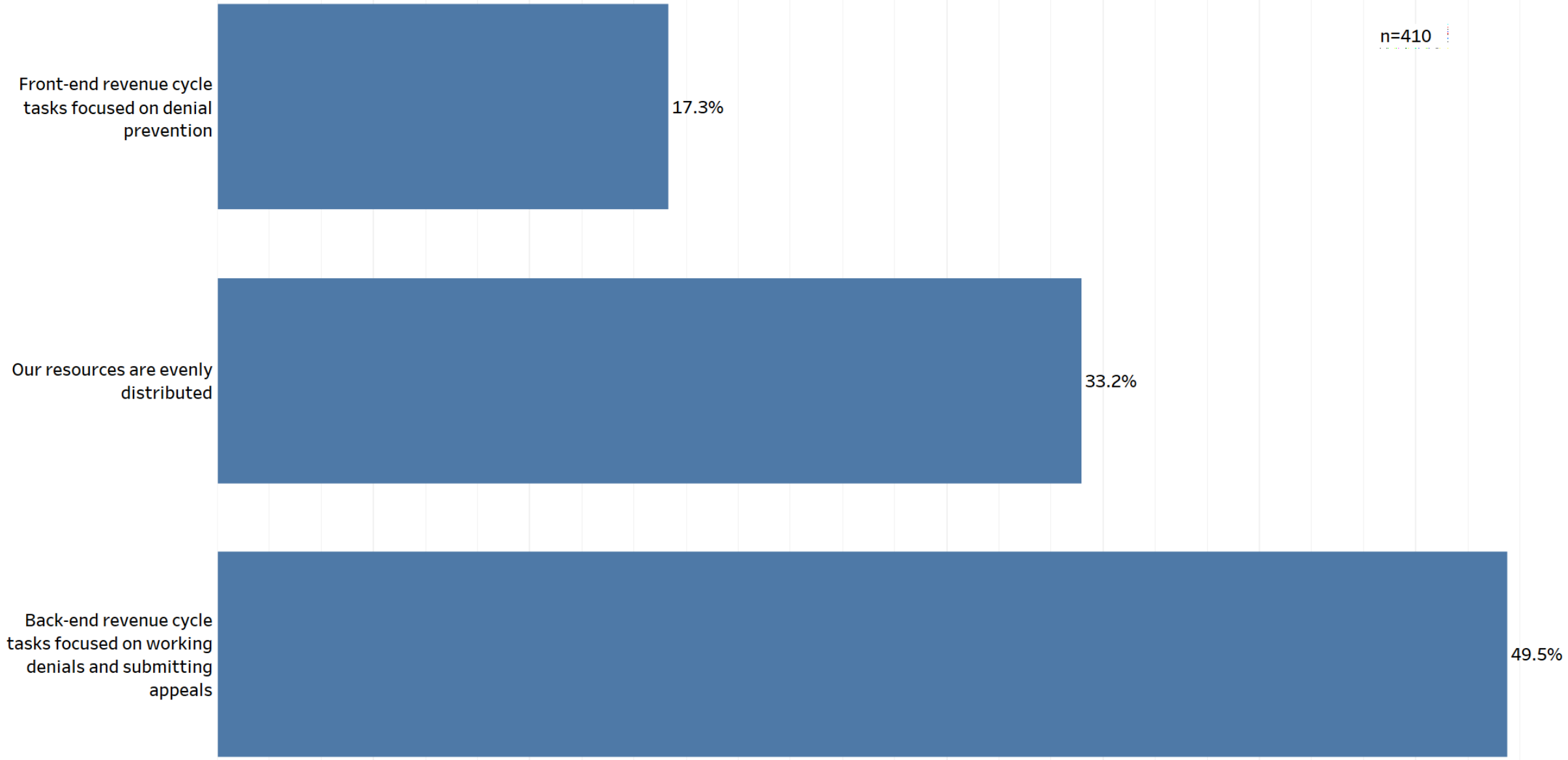
Approximately what percentage of your revenue cycle team is dedicated to working denials?

Average Percentage: 19%



n=415

In your current revenue cycle business model, where do you allocate most of your denials-related resources?



n=410

Front-end revenue cycle tasks focused on denial prevention

17.3%

Our resources are evenly distributed

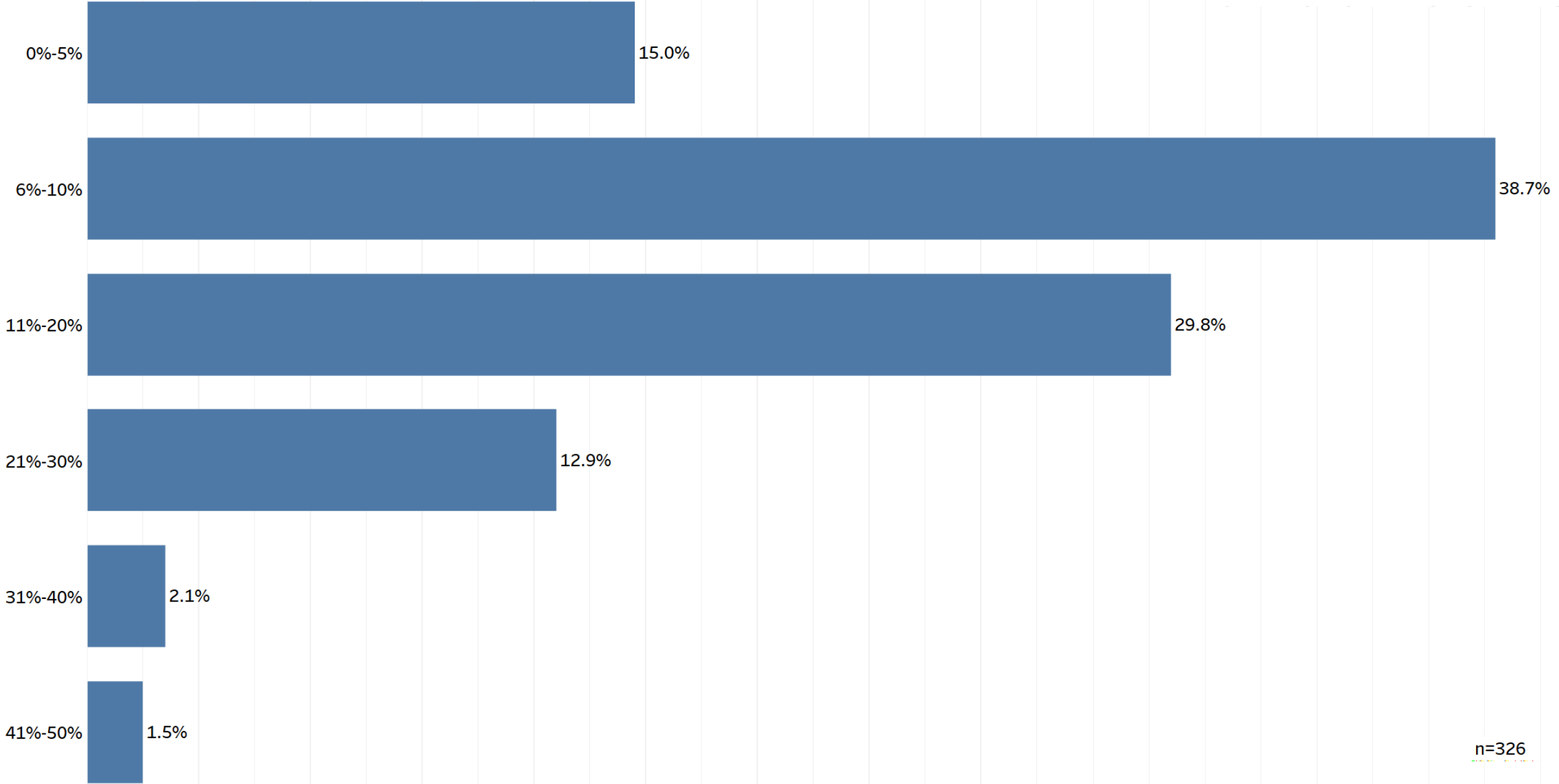
33.2%

Back-end revenue cycle tasks focused on working denials and submitting appeals

49.5%

Approximately what percentage of your claims are denied the first time? (average first pass denial rate).

Overall Average First Pass Denial Rate: 13%



n=326

n=321

Approximately what percentage of your claims are denied the first time? (average first pass denial rate).

In your current revenue cycle business model, where do you allocate most of your denials-related resources?

Front-end revenue cycle tasks focused on denial prevention

Average First Pass Denial Rate: 10.9%

Our resources are evenly distributed

Statistically, front-end focus results and balanced focus results are equivalent. Also, balanced focus results and back-end focus results are equivalent.

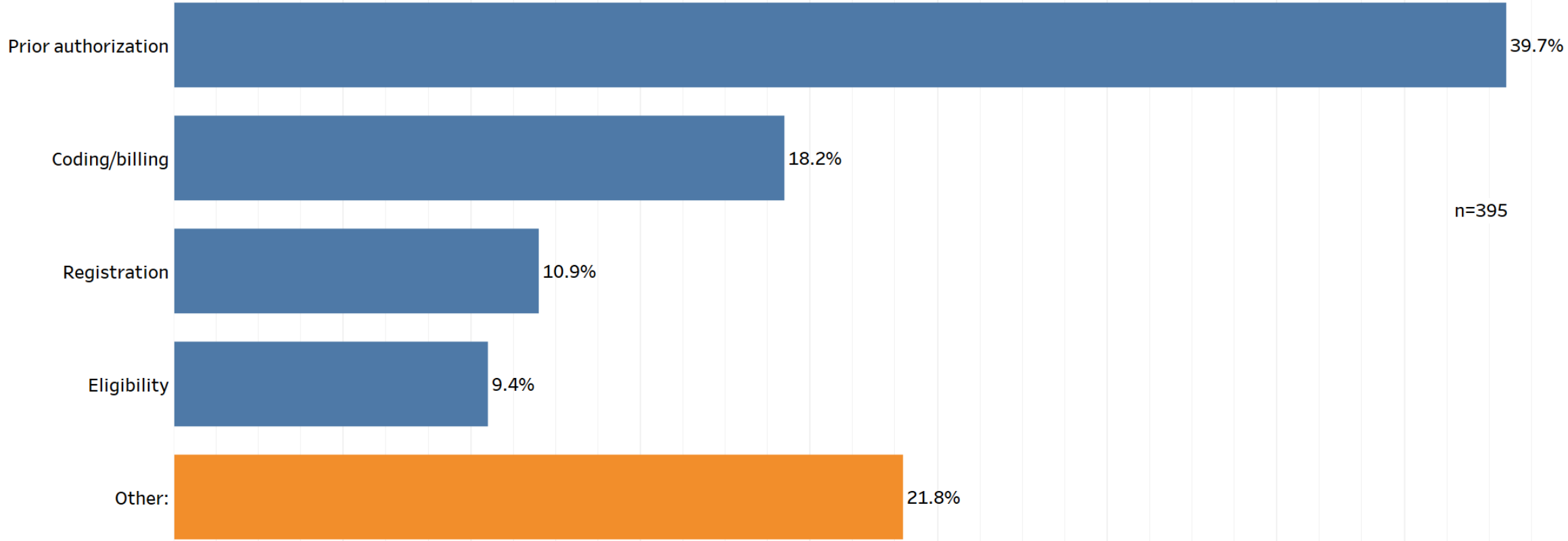
But, the first pass denial rate is statistically lower for organizations that focus on front-end revenue cycle tasks compared to organizations that focus on back-end revenue cycle tasks.

Average First Pass Denial Rate: 12.5%

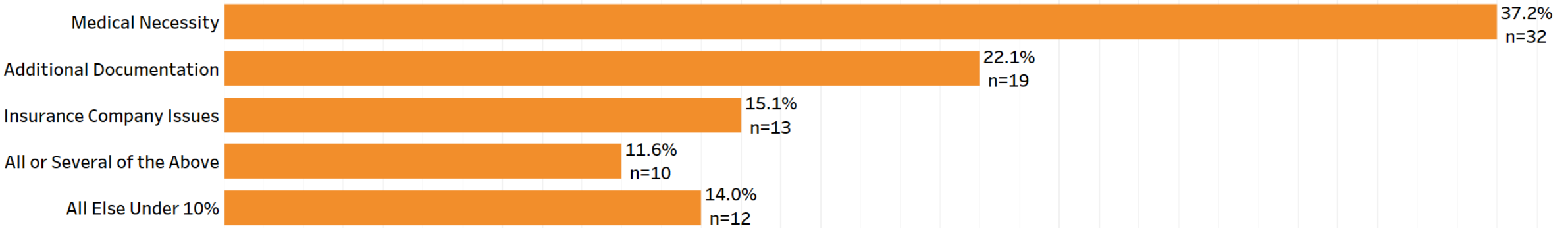
Back-end revenue cycle tasks focused on working denials and submitting appeals

Average First Pass Denial Rate: 13.6%

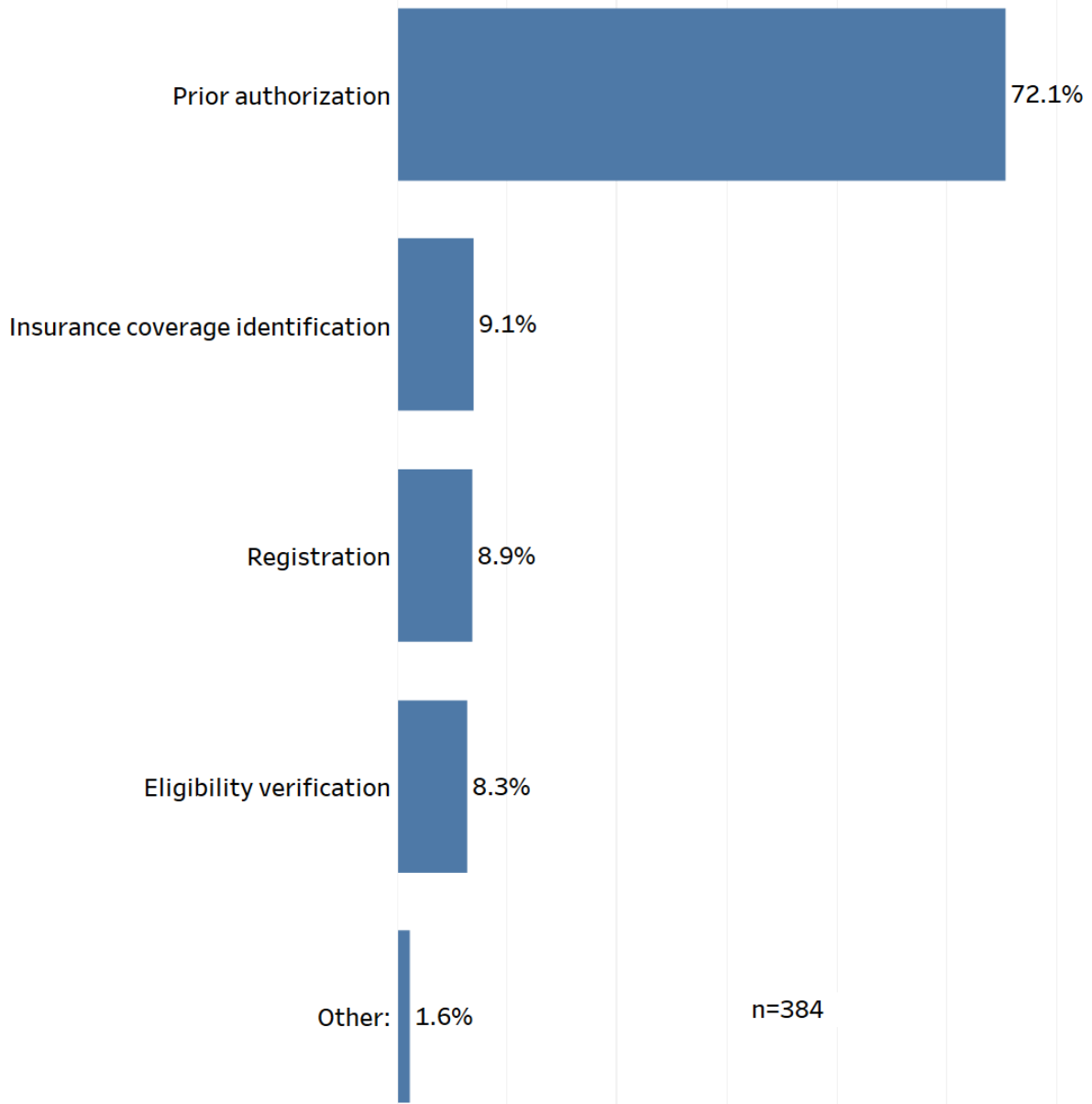
What is the greatest cause of denials in your organization?



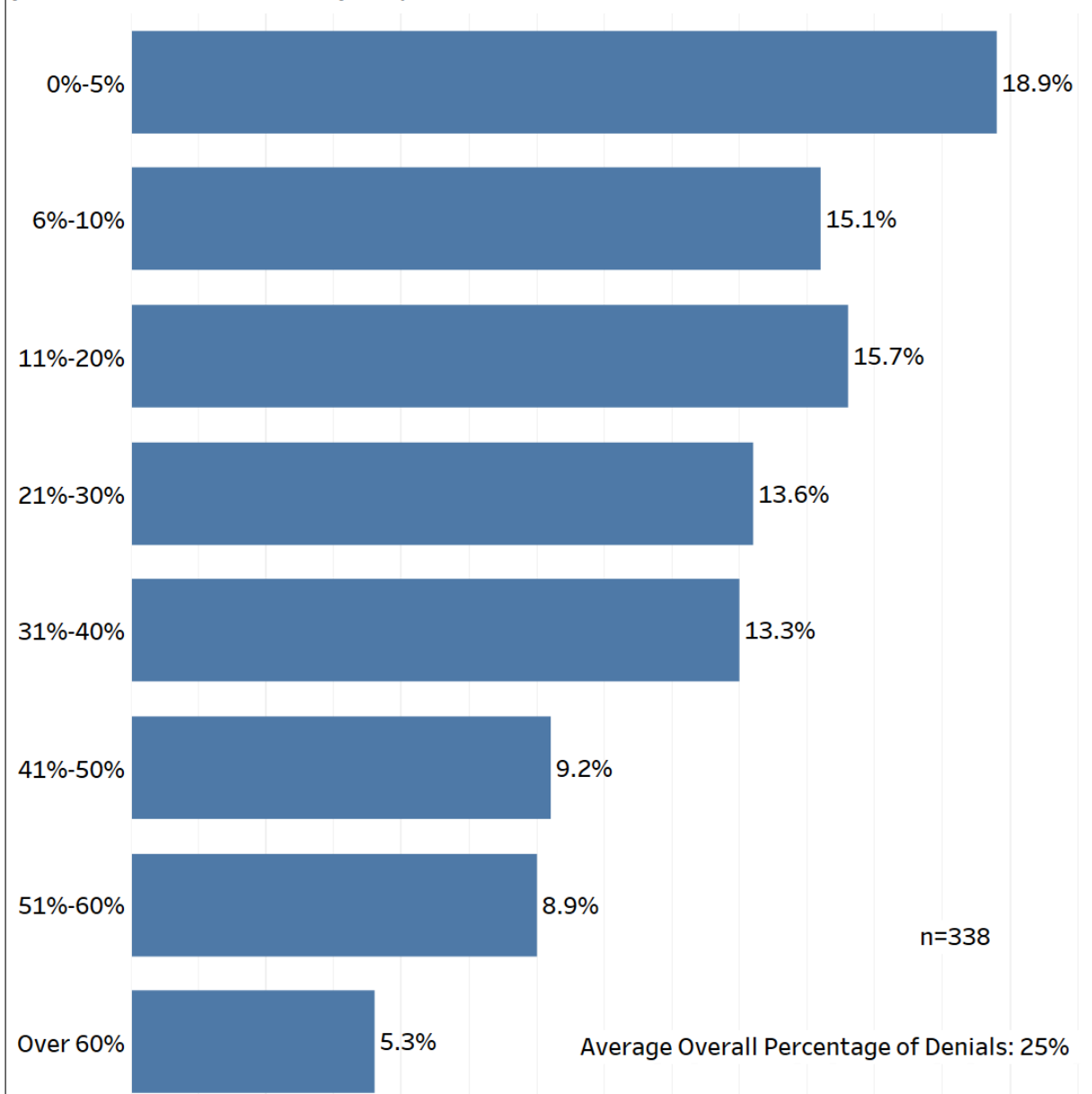
"Other Responses"



Which of your front-end processes is most time-consuming?

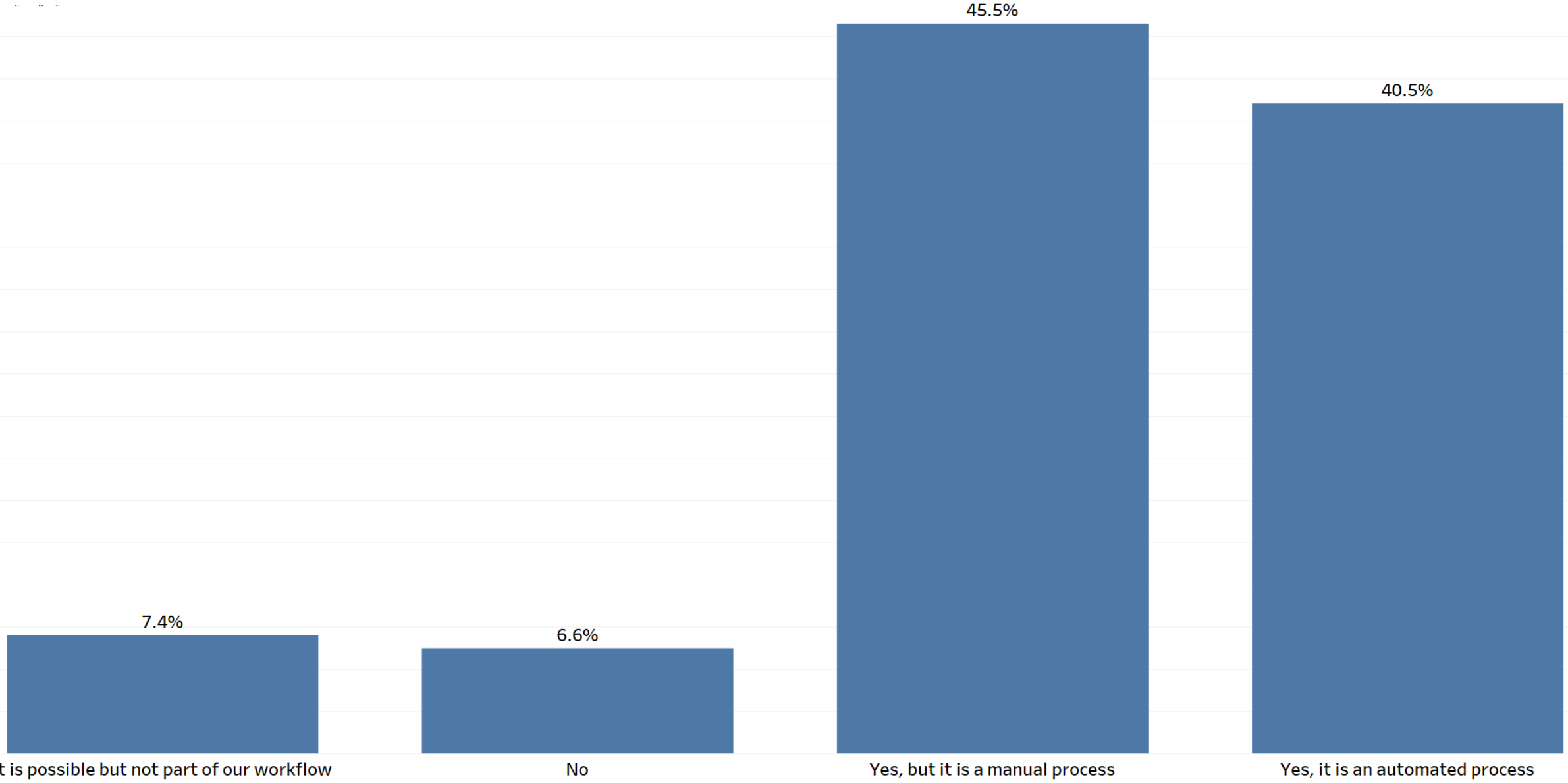


Approximately what percentage of your denials are attributed to inefficiencies in your front-end revenue cycle processes?

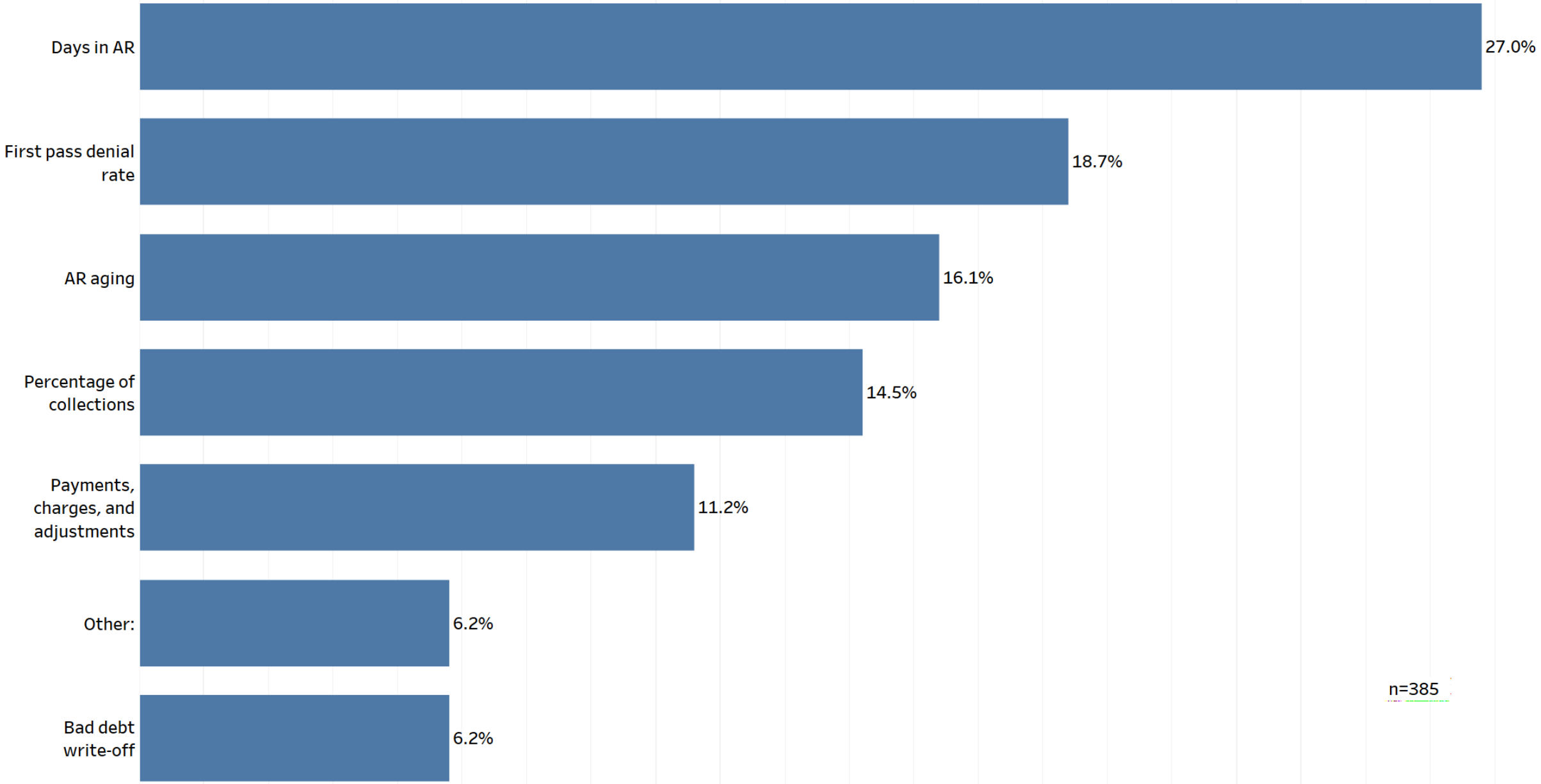


When insurance coverage information is not provided by the patient, are you still able to identify or detect insurance coverage prior to claim submission?

n=380

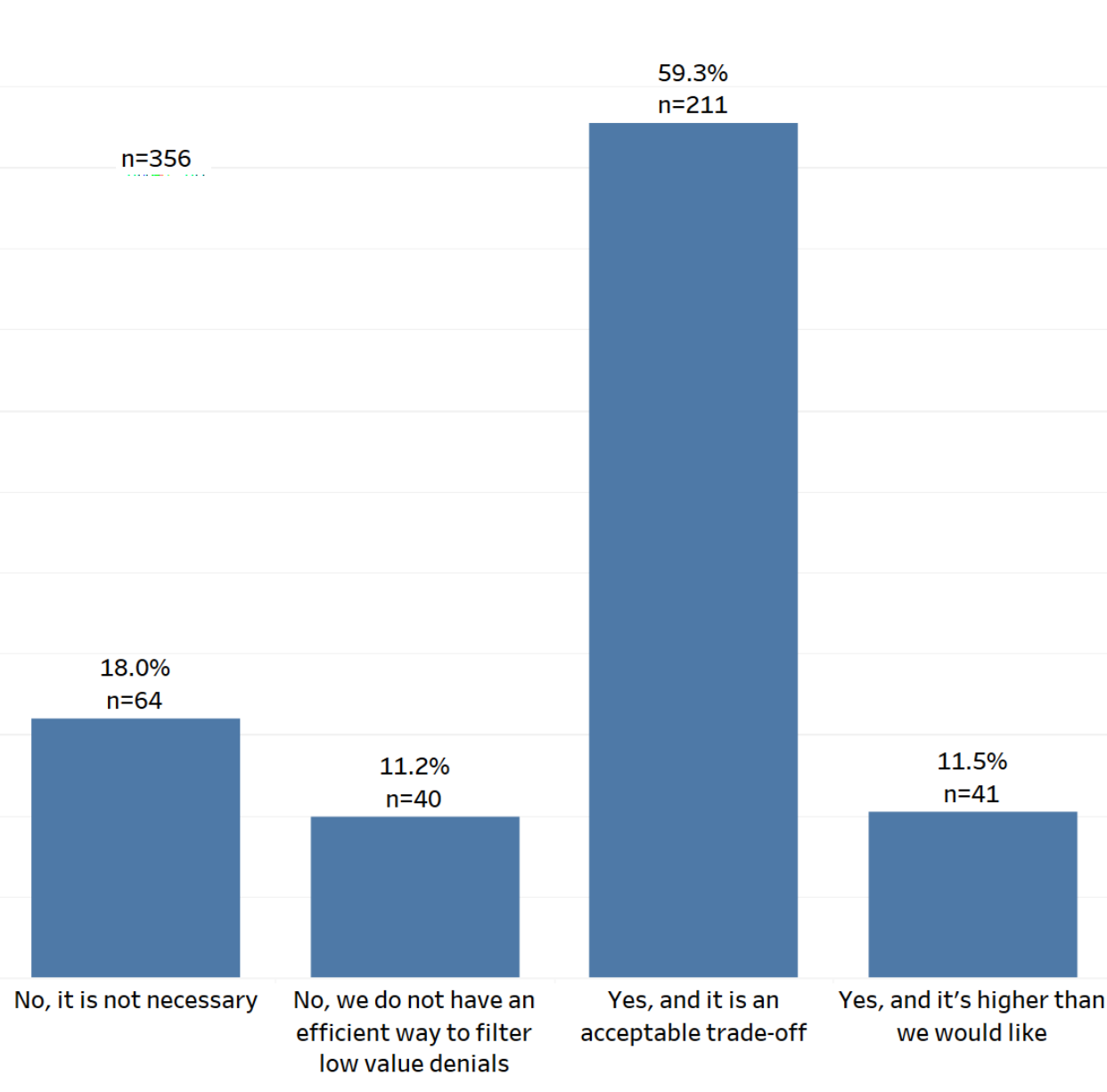


What metric/KPI related to denials is most important to your leadership team?

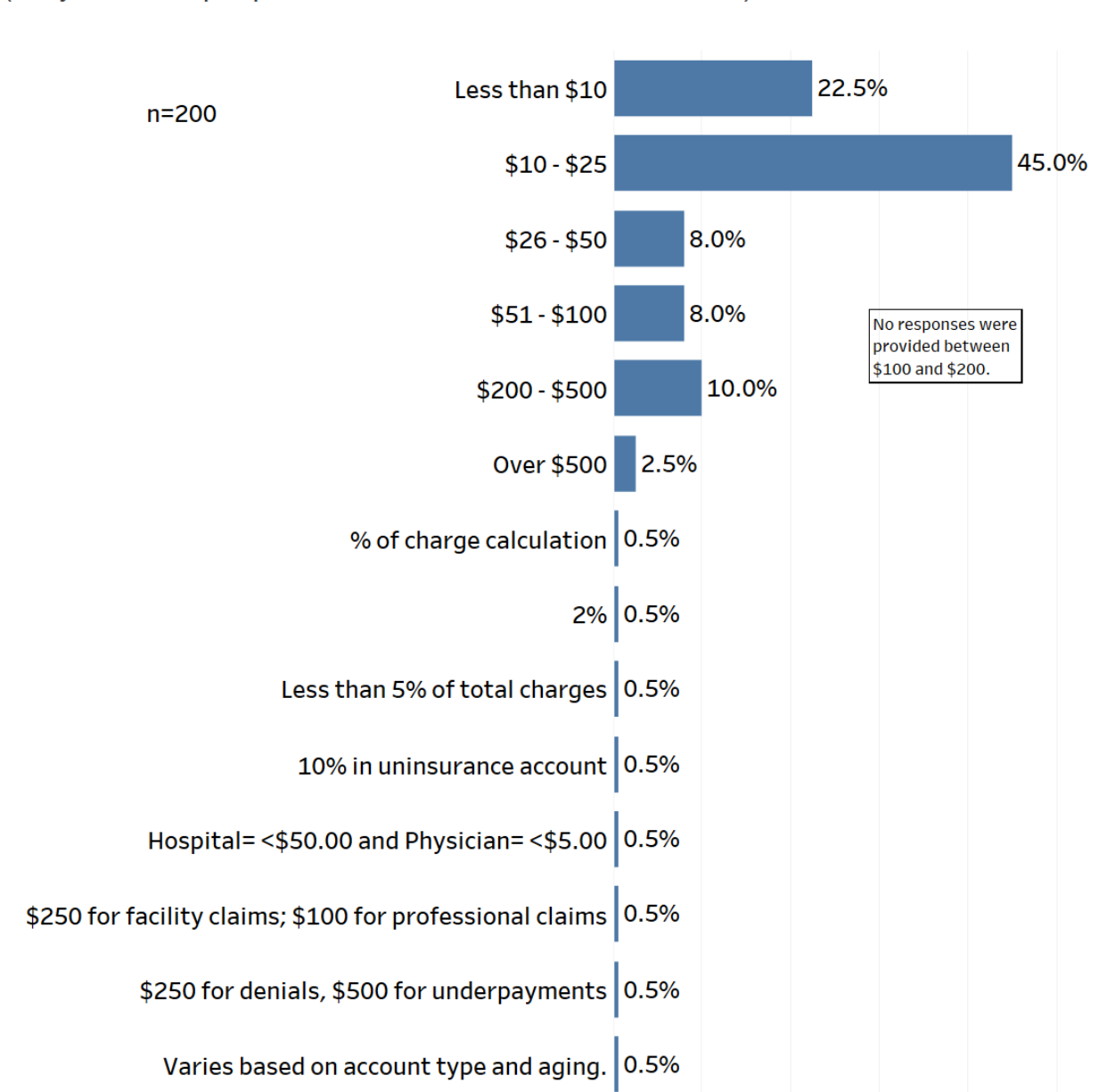


n=385

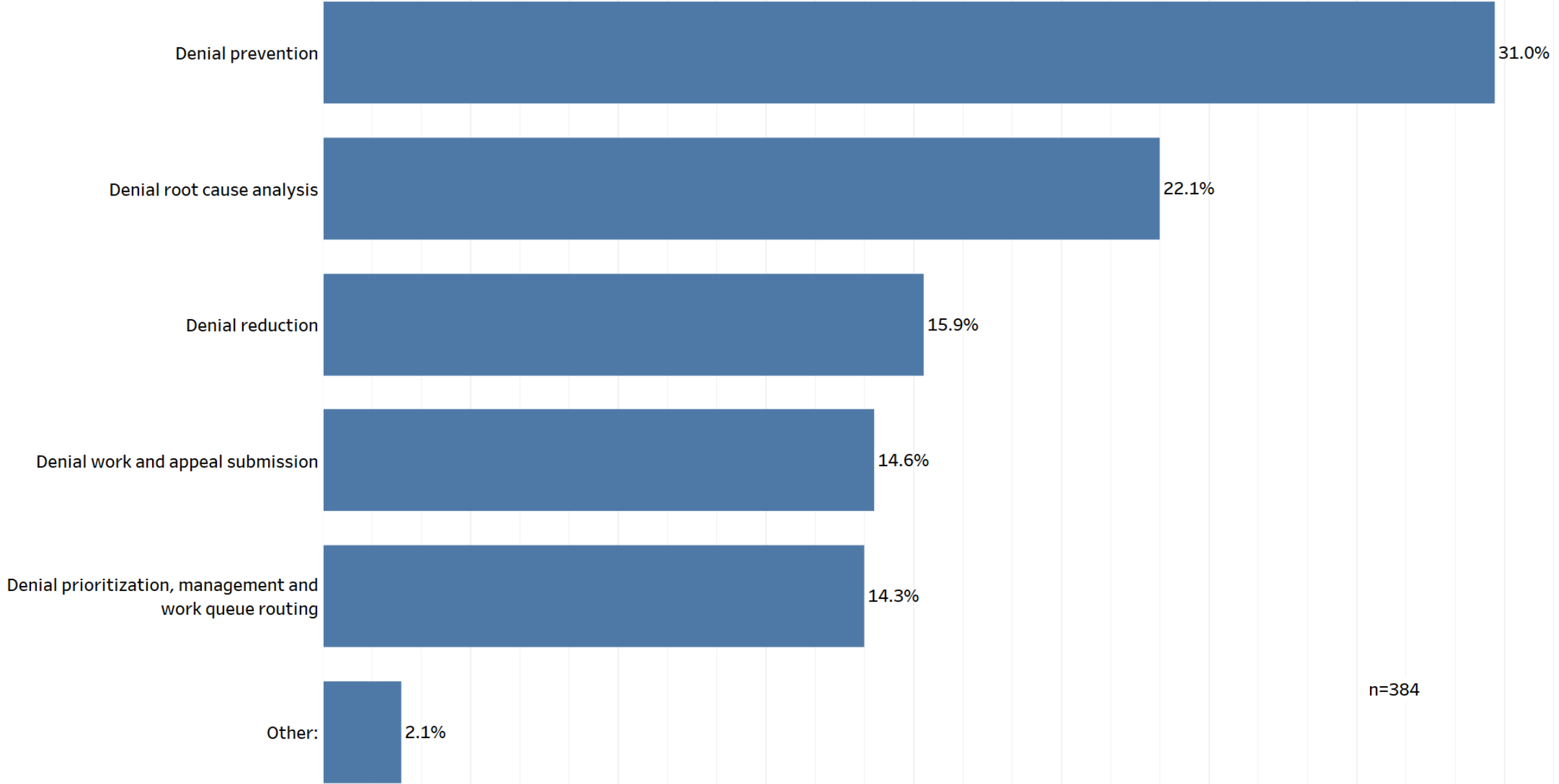
Do you have a minimum balance write-off amount in your AR due to resource constraints?



What is your minimum balance write-off amount? (Only asked of people with a minimum balance write-off.)



What area of denial management is your organization most focused on?



n=384

Colors and sizes of circles are used to visualize percentage of responses. For example, organizations most committed to front-desk revenue cycle tasks are least focused on "denial work and appeal submission".

What area of denial management is your organization most focused on?

Denial prevention

Denial root cause analysis

Denial reduction

Denial prioritization, management and work queue routing

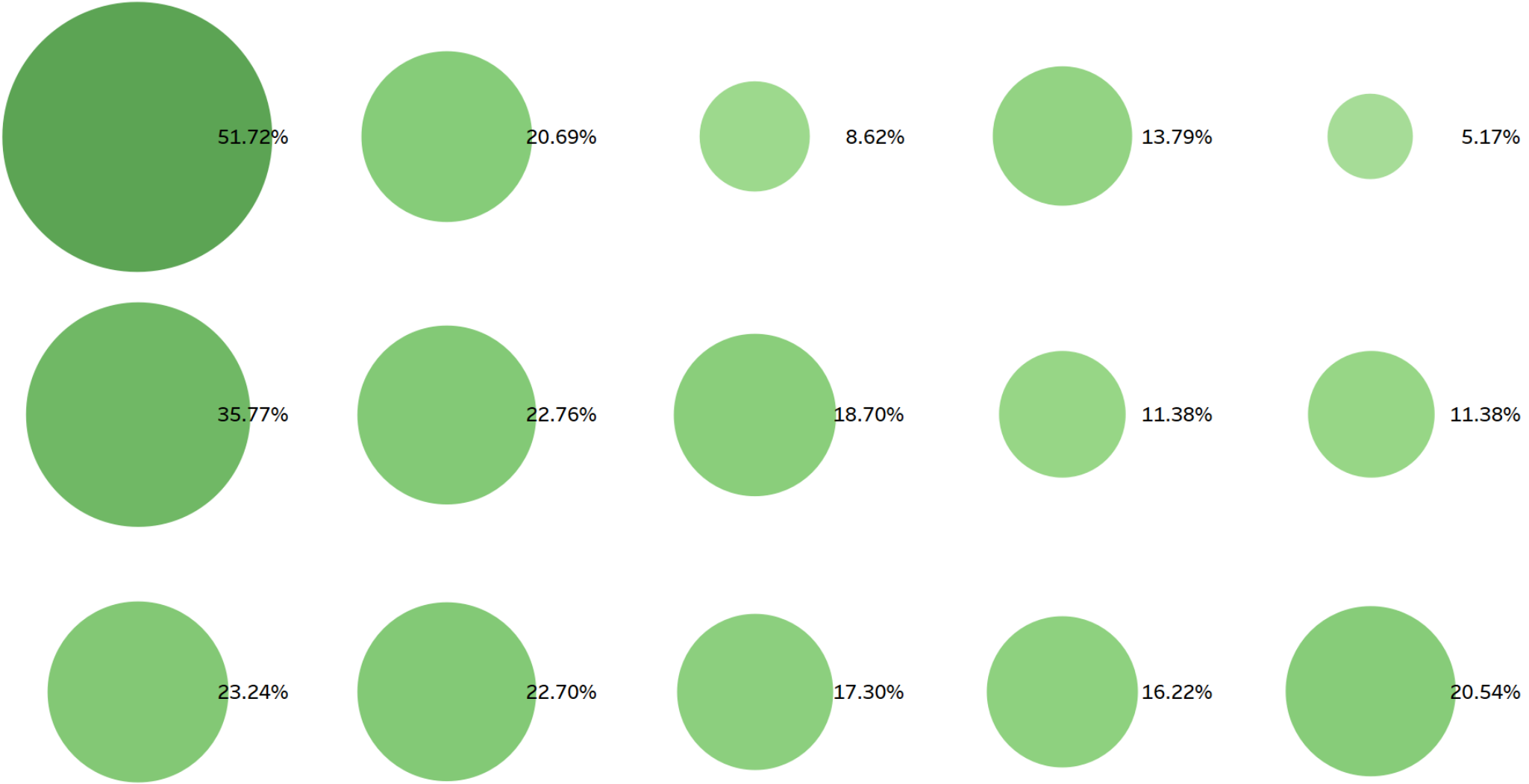
Denial work and appeal submission

In your current revenue cycle business model, where do you allocate most of your denials-related resources?

Front-end revenue cycle tasks focused on denial prevention

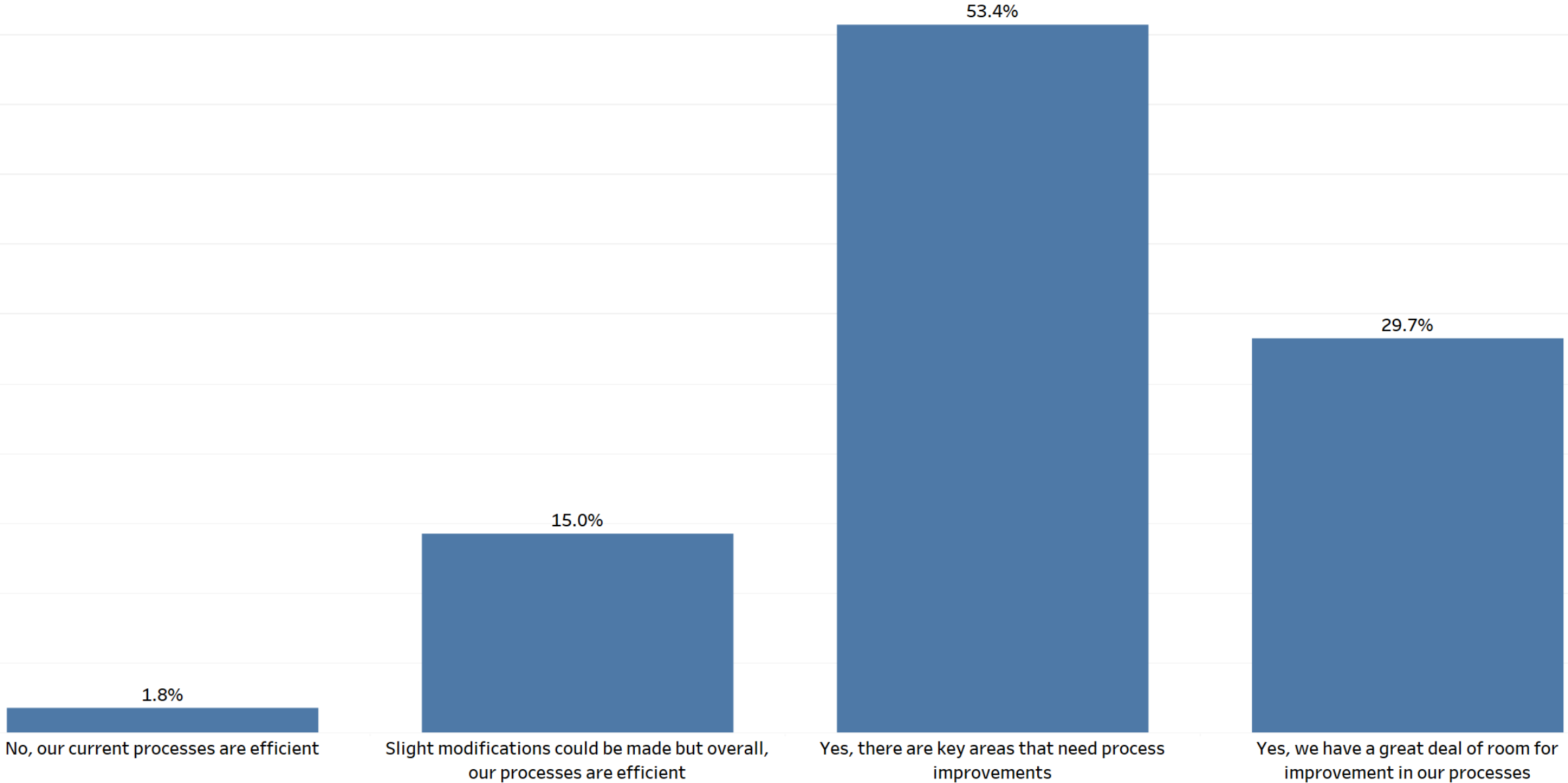
Our resources are evenly distributed

Back-end revenue cycle tasks focused on working denials and submitting appeals



Do you think there is room for improvement in your current process for addressing and working denials?

n=380



Colors and sizes of circles are used to visualize percentage of responses. For example, the significant majority of all respondents indicated some need for process improvement.

Do you think there is room for improvement in your current process for addressing and working denials?

Yes, we have a great deal of room for improvement in our processes

Yes, there are key areas that need process improvements

Slight modifications could be made but overall, our processes are efficient

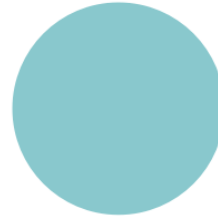
No, our current processes are efficient

In your current revenue cycle business model, where do you allocate most of your denials-related resources?

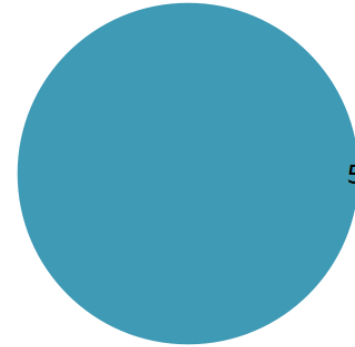
Front-end revenue cycle tasks focused on denial prevention

Our resources are evenly distributed

Back-end revenue cycle tasks focused on working denials and submitting appeals



21.43%



55.36%



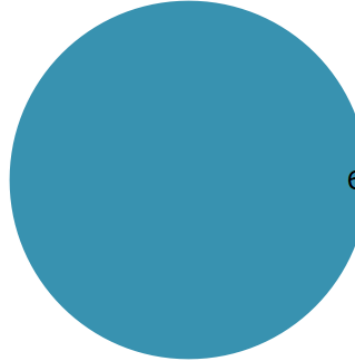
17.86%



5.36%



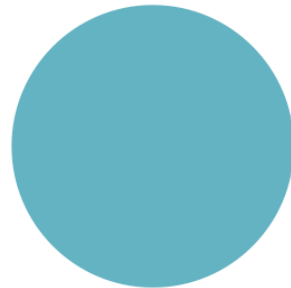
18.70%



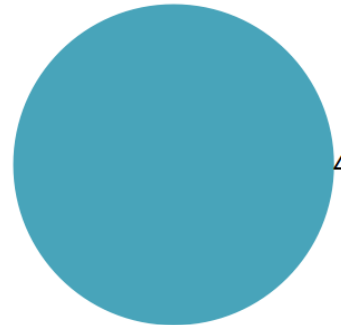
60.98%



20.33%



37.89%



48.95%



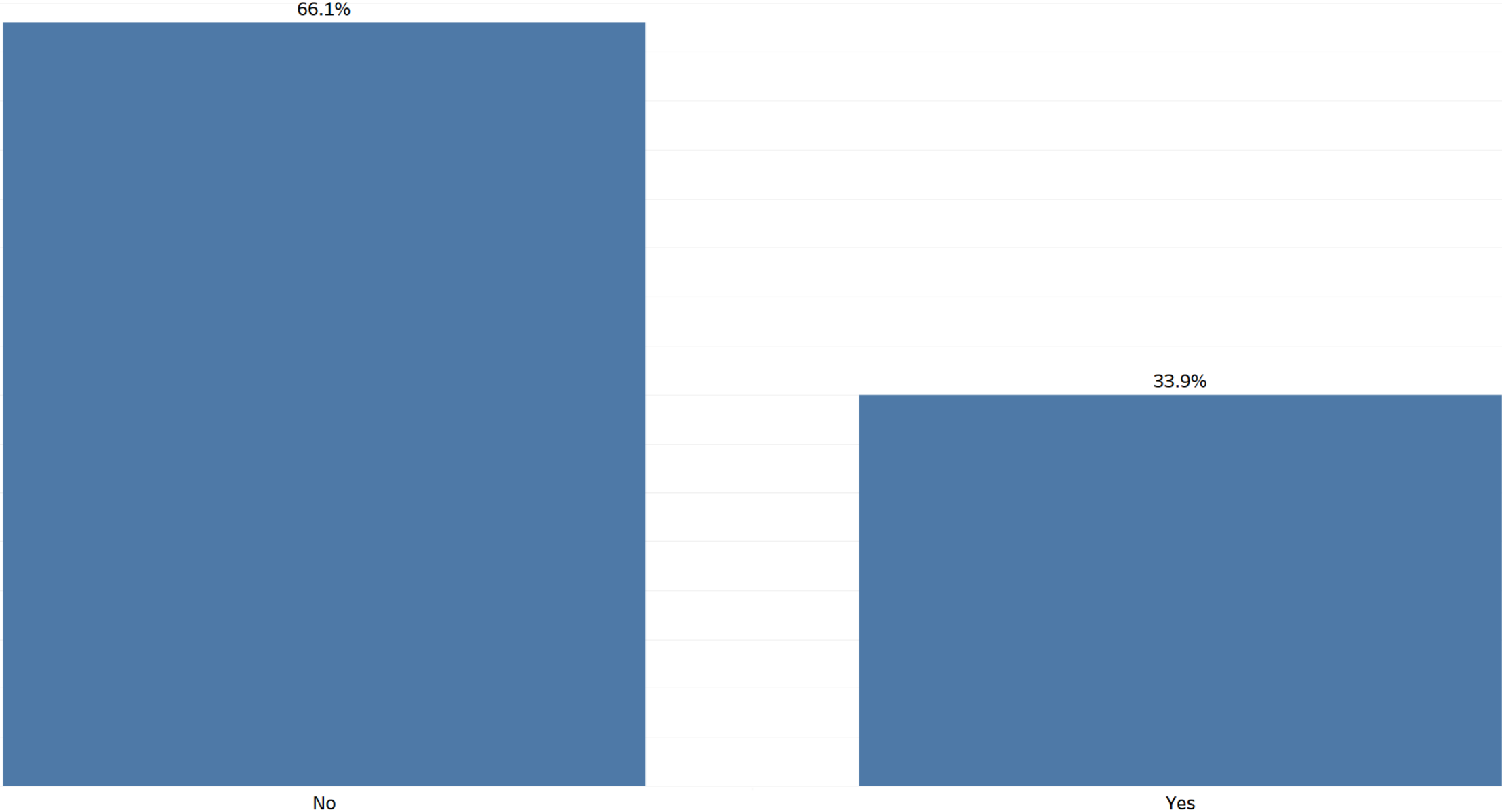
11.05%



2.11%

Is your organization considering investing in a new denial and appeal solution in the next 1-2 years?

n=236



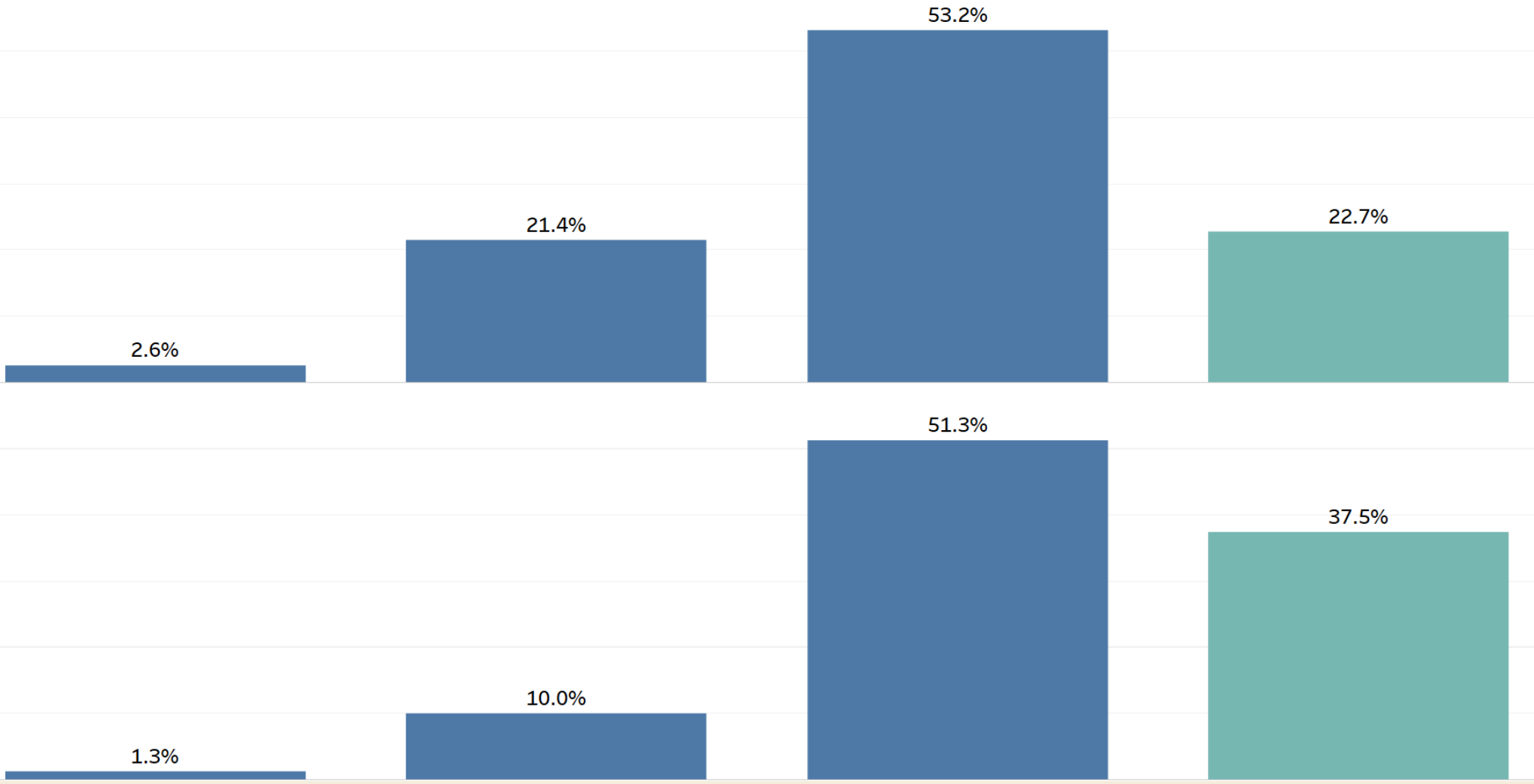
Organizations with a significant need for process improvement are statistically more likely to consider investing in new solutions.

Do you think there is room for improvement in your current process for addressing and working denials?

Is your organization considering investing in a new denial and appeal solution in the next 1-2 years?

No

Yes



n=234

No, our current processes are efficient

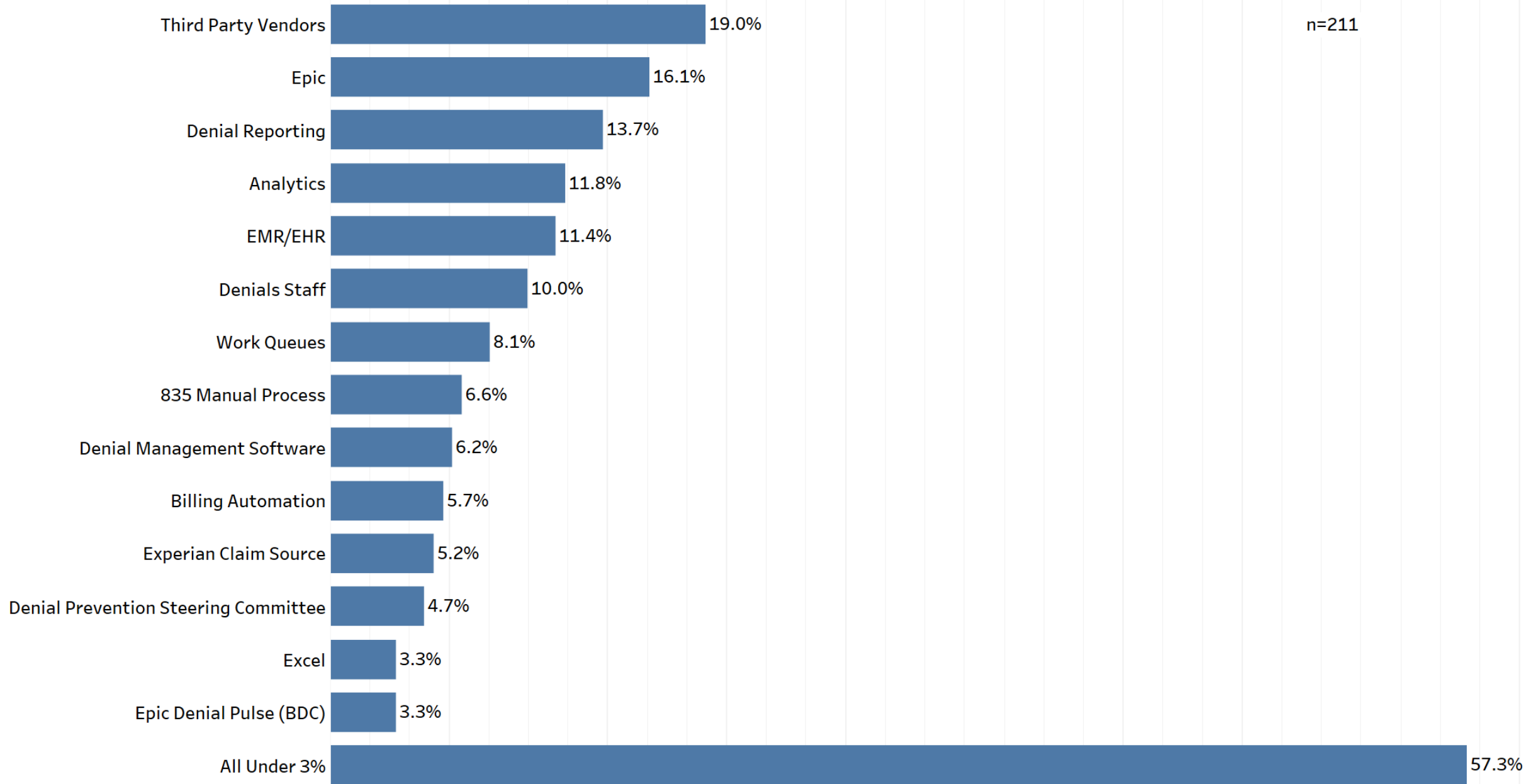
Slight modifications could be made but overall, our processes are efficient

Yes, there are key areas that need process improvements

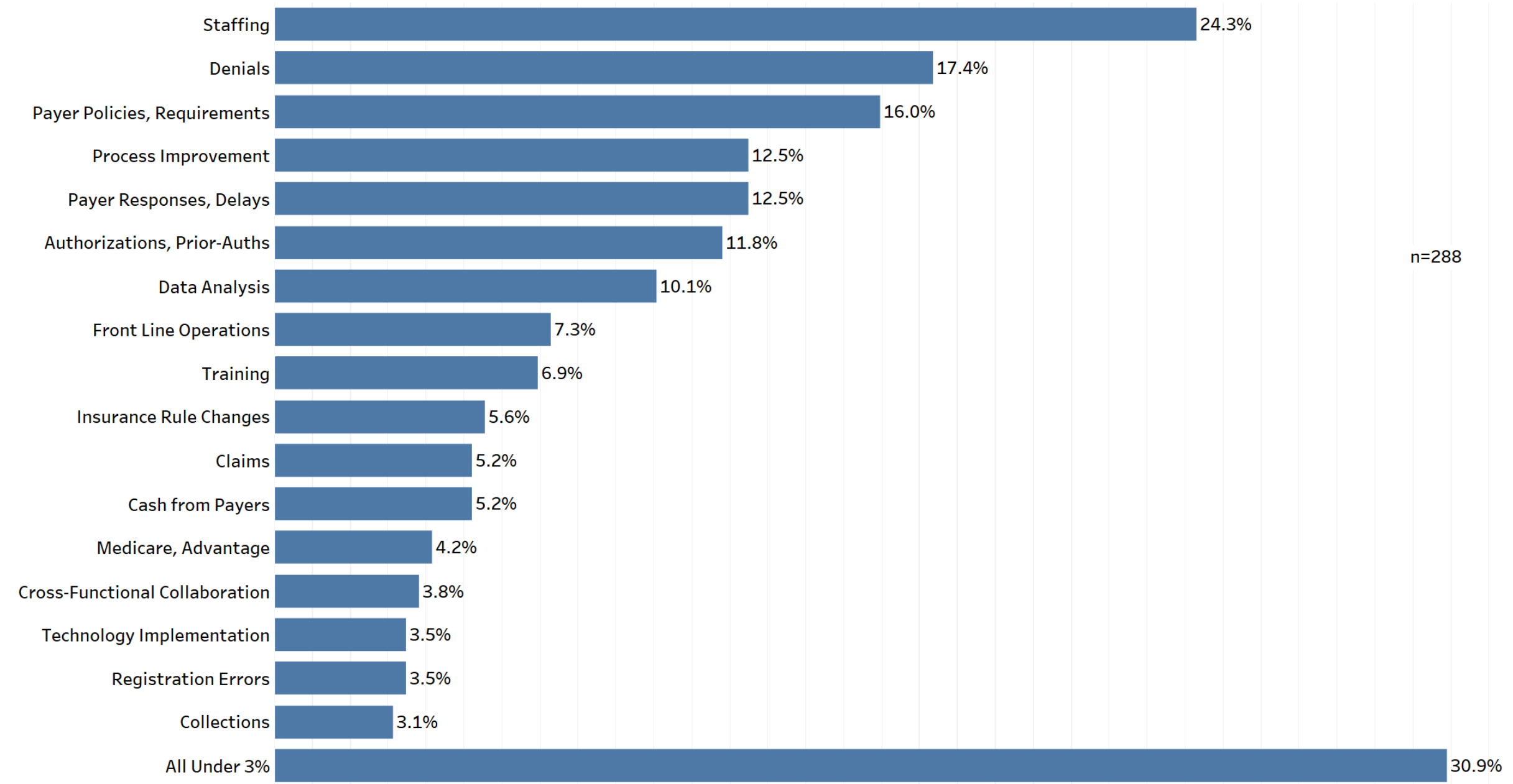
Yes, we have a great deal of room for improvement in our processes

What tools do you use to manage denials, including external vendors?

n=211



What is the biggest challenge you have in your revenue cycle?



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