Transforming Denials Management:
A Data-Driven Approach

Moving from Reactive Responses to Proactive Solutions

DENIALS MANAGEMENT

The current landscape
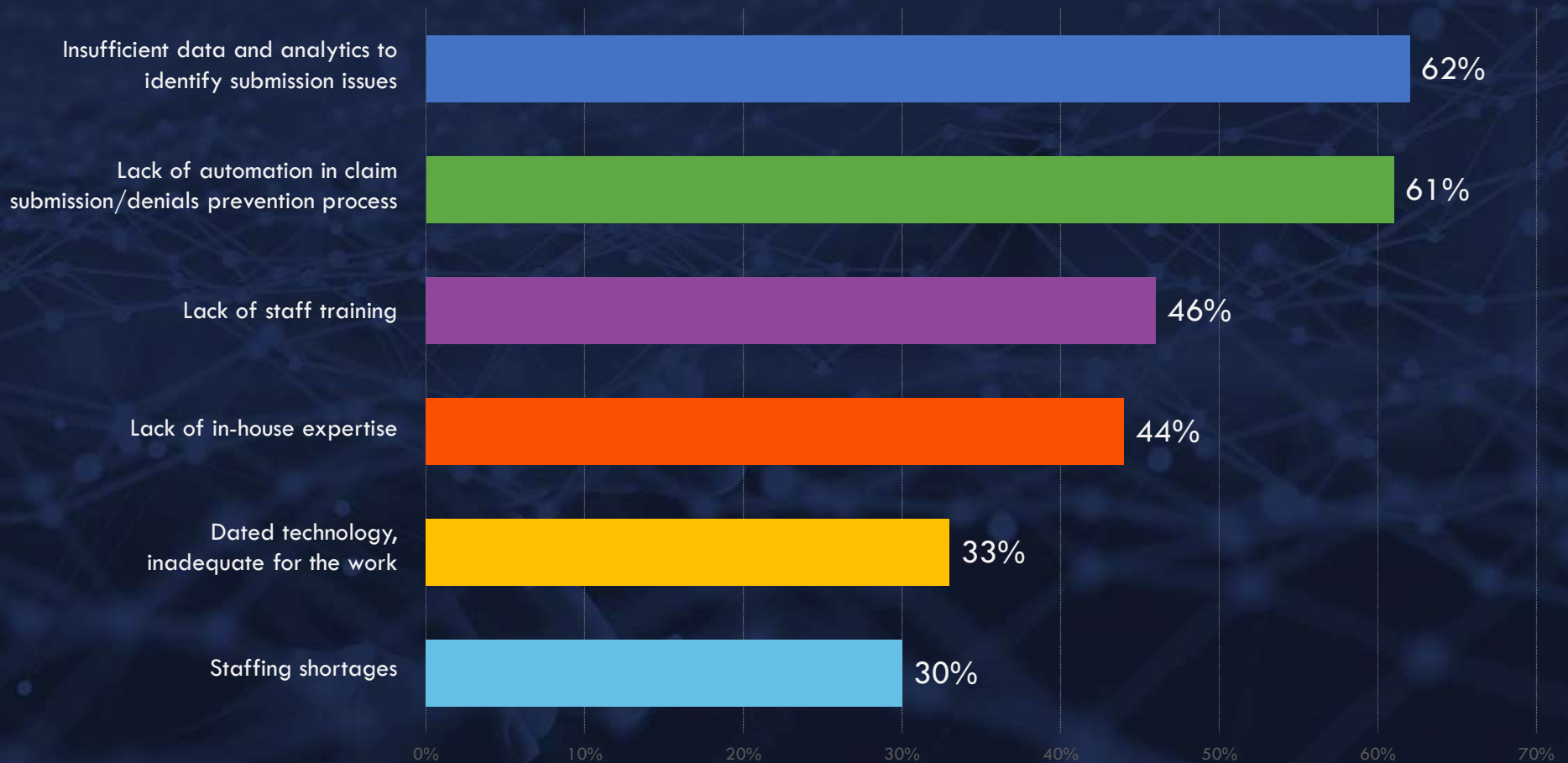
Operational Challenges Increasing Denials

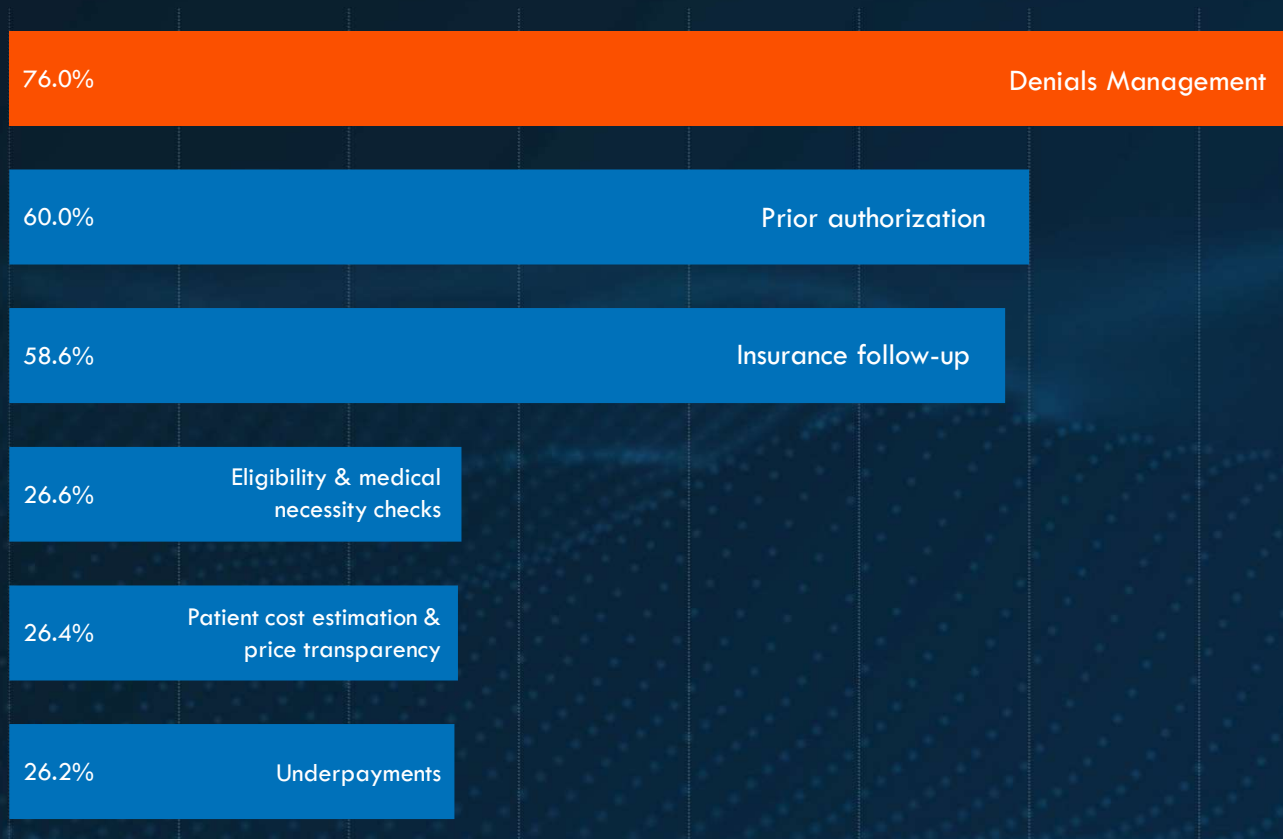| Challenge	Percentage
Insufficient data and analytics to identify submission issues	62%
Lack of automation in claim submission/denials prevention process	61%
Lack of staff training	46%
Lack of in-house expertise	44%
Dated technology, inadequate for the work	33%
Staffing shortages	30%

Denials management is time-consuming

Revenue cycle leaders were asked what was the most time-consuming task in the revenue cycle?

76.0%	Denials Management
60.0%	Prior authorization
58.6%	Insurance follow-up
26.6%	Eligibility & medical necessity checks
26.4%	Patient cost estimation & price transparency
26.2%	Underpayments

231 Million
Claims Filed

42 Million/~18%
Claims Denied

3% Lost NPR

Front End Rev Cycle Accounts for
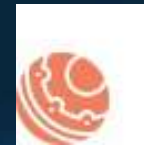
49.7%

of Total Denials

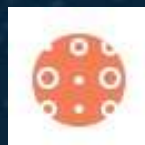# There are many challenges in denials management:

Delayed Insights

High Denial Rates

Manual Processes

Incomplete Data Governance

Fragmented Information Sharing

Limited Predictive Capabilities

But, these challenges also present opportunities for organizations to embrace data-driven denials management and stay ahead of these issues

So, what is data-driven denials management?

A data-driven approach to denials management involves leveraging data analytics, insights, and evidence-based strategies to identify, prevent, and resolve claim denials

Becoming Data-Driven Transforms Denials Management

Adopting a data-driven approach changes traditional denial resolution methods
into a proactive and strategic process, offering several significant operational improvements

Improved denial prevention

Proactive identification of trends

Enhanced revenue recovery

Strategic decision making

Efficient resource allocation

Adaptability to industry changes

Enhanced collaboration

Compliance and audit-readiness

DATA-DRIVEN DENIALS MANAGEMENT

How do you get there?

The Denials Management Transformation Roadmap

1 Conduct a Denial Management Assessment

2 Establish a Data Governance Framework

3 Invest in Denial Analytics Tools

4 Define Leading Denial Indicators

5 Foster a Collaborative Denial Management Culture

6 Implement Training Programs

7 Engage in Payer Collaboration

8 Continuous Monitoring & Improvement

REACTIVE

PROACTIVE

1

Conduct a Denials Management Assessment

OBJECTIVE

Understand the current state of denials management processes.

ACTION STEPS

- Perform a comprehensive assessment of existing denial management workflows.

- Identify bottlenecks, manual processes, and areas prone to errors.

- Evaluate the effectiveness of current denial prevention and resolution strategies.

Lay the foundation for reliable and accurate denial-related data

ACTION STEPS

- Develop and implement a data governance framework specific to denial management.

- Define data ownership, data quality standards, and data management processes.

- Ensure alignment with industry standards and compliance requirements.

2

Establish a Data Governance Framework

Data governance is critically important in denial management for many reasons:

Data Accuracy and Reliability	Strategic Decision-Making
Compliance with Regulations	Efficient Resource Allocation
Patient Privacy & Confidentiality	Risk Mitigation
Consistency in Data Handling	Enhanced Data Collaboration
Interoperability & Integration	Long-Term Sustainability
Data Quality Improvement	Stakeholder Trust

2

Establish a Data Governance Framework

Invest in Denial Analytics Tools

3

Integrate analytics tools for data-driven insights into denial management

ACTION STEPS

- Explore and invest in denial analytics tools with features like predictive modeling.

- Ensure compatibility and integration with existing revenue cycle management systems.

- Provide training to staff on using analytics tools effectively.

3

Invest in Denial Analytics Tools

Investing in denial analytics tools gives you the power to analyze denial patterns and derive actionable insights

Data Aggregation and Integration

Pattern Recognition and Identification

Real-Time Monitoring

Predictive Modeling

Benchmarking and Comparison

3

Invest in Denial Analytics Tools

The right technology tools drive actionable insights and empower better processes and quicker results

More Strategic Decision-Making

Efficiency in Workflow Optimization

Customized Intervention Strategies

Continuous Improvement

Adaptation to Changing Payer Policies

Payer Policy Analysis

Adaptive Strategies

OBJECTIVE

Identify and monitor leading indicators for proactive denial prevention

ACTION STEPS

- Collaborate with cross-functional teams to define relevant leading indicators.

- Align indicators with organizational goals and objectives.

- Establish metrics for continuous monitoring and analysis.

4

Define Leading Denials Indicators

Leading denial indicators are key metrics or signals that provide early insights into potential issues that may lead to claim denials

KEY INDICATORS TO GET YOU STARTED:

Coding Accuracy
Coding error rates for claims

Documentation Completeness
Rate of incomplete or missing documentation

Authorization Verification
Rate of claims without proper authorization

Timeliness of Claim Submission
Average time taken to submit claims after service

Payer-Specific Trends
Analyzing denial patterns by payer

Claim Rejection Rates
Percentage of claims rejected upon submission

Front-End Edits
Effectiveness of front-end edits and pre-submission checks

Utilization Review Outcomes
Results of utilization reviews

Claim Accuracy Metrics
Accuracy of patient information, CPT codes, and ICD-10 codes

Referral & Auth. Trends
Trends in referrals and authorization requirements

Educational Outreach Effectiveness
Impact of educational programs on staff and providers

Claim Reconsideration & Appeal Rates
Rates of successful claim reconsiderations/appeals

4

Define Leading Denials Indicators

Foster a Collaborative Denial Management Culture

5

Promote collaboration between different departments involved in denial management

ACTION STEPS

- Establish cross-functional teams involving revenue cycle, clinical, coding, and administrative staff.

- Facilitate regular communication and knowledge-sharing sessions.

- Encourage a culture of shared responsibility for denial prevention and resolution.

5

Foster a Collaborative Denial Management Culture

Cross-functional collaboration is integral to unlocking the full potential of data-driven denial management

Holistic understanding of denial causes

More effective problem solving & communication

Data accuracy & consistency

Streamlined workflows

Comprehensive training programs

Strategic decision making

OBJECTIVE

Enhance staff skills in denial analytics and data-driven approaches

ACTION STEPS

- Develop and implement training programs focused on data literacy and analytics.

- Include sessions on using denial analytics tools and interpreting data insights.

- Offer ongoing education to keep staff updated on industry trends.

6

Implement Training Programs

Engage in Payer Collaboration

7

OBJECTIVE

Foster collaborative relationships with payers for better understanding of denial patterns

ACTION STEPS

- Initiate regular communication with payers to discuss denial trends and challenges.

- Collaborate on initiatives to improve claims processing and reduce denials.

- Explore opportunities for joint efforts in data-driven denial prevention.

Establish mechanisms for continuous monitoring and adaptation of strategy

ACTION STEPS

- Implement real-time dashboards and reporting tools for denial-related metrics.

- Encourage regular reviews of denial prevention strategies based on ongoing data analysis.

- Establish feedback loops for continuous improvement.

8

Continuous Monitoring & Improvement

DATA-DRIVEN DENIALS MANAGEMENT PAYS OFF

Unlock a range of transformative benefits that positively impact the financial health, operational efficiency, and strategic decision-making of healthcare organizations.

Real-Life Success from
Data-Driven Denials Management

J-code & High-End Radiology (HER) Authorization Validation Using Denials Predictions

The Results

J-CODE PREBILL

36K encounters were managed in this process constituting

more than $1.8B in revenue

42% of the encounter volume was flagged for exception handling and manually reviewed prior to claim drop, ultimately mitigating more than

$90M in denials and $8M in write-offs.

Overall authorization denial rate improved by 92% across all payers resulting in a

$90M cash lift

when compared to the prior fiscal year

HIGH-END RADIOLOGY

15K encounters were managed in this process constituting

more than $78M in revenue

58% of the encounter volume was flagged for exception handling and manually reviewed prior to claim drop, ultimately mitigating more than

$20M in denials and $2M in write-offs.

Overall authorization denial rate improved by 88% across all payers resulting in a

$20M cash lift

when compared to the prior fiscal year

Coding Audit Risk Scoring Leveraging Predictive Models in Anesthesia Coding

The Results

Minimize time + effort spent
on auditing records

Capture more
revenue

Quicker root
cause analysis

Risk scoring transformed the randomized audit into a focused audit, **identifying 705 deficient records per week compared to manually audits identifying only 100 deficient records per week.**

This 7-fold increase in captured coding audit errors resulted in **$13K per week in increased revenue capture and a 20% reduction in coding denials.**

Overcoming Challenges Along the Way in Denial Management Transformation

Cultural Resistance

Resistance to change is a common hurdle – staff may be accustomed to traditional workflows and may resist adopting new, data-driven methodologies.

STRATEGIES

Leadership Buy-In

Secure support from leadership to communicate the importance and benefits of the transformation.

Change Management

Implement change management strategies, including communication plans and stakeholder involvement, to facilitate a smooth transition.

Training Programs

Provide comprehensive training programs to empower staff with the skills and knowledge needed for the new approach.

Legacy System Integration

Healthcare organizations often face challenges integrating advanced denial analytics tools with existing legacy systems.

STRATEGIES

Interoperability Planning

Develop a robust interoperability plan to seamlessly integrate new technologies with existing systems.

Gradual Implementation

Adopt a phased approach to implementation, allowing for gradual integration and minimizing disruption.

Vendor Collaboration

Collaborate with technology vendors to ensure compatibility and smooth integration.

Data Quality

Incomplete or inaccurate data can hinder the effectiveness of denial analytics and decision-making.

STRATEGIES

Data Governance Enhancement

Strengthen data governance practices to ensure data accuracy, consistency, and reliability.

Data Cleansing Initiatives

Implement data cleansing initiatives to address existing data quality issues.

Regular Audits

Conduct regular audits of denial-related data to maintain high standards of data quality.

Staff Skill Gaps

The success of denial management transformation relies on staff having the necessary skills to leverage data-driven tools.

STRATEGIES

Skill Development Programs

Invest in ongoing training programs to bridge skill gaps and enhance staff proficiency.

Cross-Functional Training

Provide cross-functional training to ensure that staff across different departments understand and contribute to the data-driven approach.

Certification Programs

Encourage staff to participate in relevant certification programs to acquire specialized skills.

Resistance from Payers

Payers may resist changes in denial management processes that impact their workflows.

STRATEGIES

Collaborative Dialogue

Establish open communication channels with payers to discuss the benefits of the transformation.

Shared Objectives

Align denial management objectives with payer interests, emphasizing mutual benefits.

Pilot Programs

Implement pilot programs in collaboration with payers to demonstrate the positive outcomes of the transformation.

Cost Constraints

Budget constraints can pose challenges in implementing advanced denial analytics tools and technologies.

STRATEGIES

Cost/Benefit Analysis

Conduct a thorough cost-benefit analysis to demonstrate the long-term value of the investment.

Phased Implementation

Opt for a phased implementation approach to spread costs over time.

Exploration of Affordable Solutions

Explore cost-effective denial analytics solutions without compromising on functionality.

Lack of Executive Sponsorship

Without strong executive sponsorship, denial management transformation initiatives may lack the necessary support.

STRATEGIES

Engagement with Executives

Engage executives early in the process, ensuring they understand the strategic importance of the transformation.

Executive Steering Committee

Establish an executive steering committee to oversee and champion the transformation initiative.

Regular Updates to Leadership

Provide regular updates to leadership on the progress and positive impacts of the transformation.

Patient & Provider Communication

Changes in denial management processes may impact patient and provider interactions, requiring effective communication.

STRATEGIES

Communication Plans

Develop comprehensive communication plans to inform patients and providers of changes and improvements.

Education Campaigns

Implement education campaigns to help patients and providers understand the benefits of the new approach.
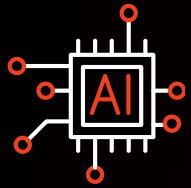
Feedback Mechanisms

Establish feedback mechanisms to gather insights from patients and providers and address concerns promptly.
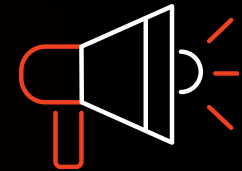
Future Trends in Denials Management

Future Trends

Automation + rapidly improving AI and machine learning

Predictive analytics for payer behavior

Advanced data governance & interoperability

Patient advocacy & educational programs

Telehealth & virtual care integration

Regulatory changes & compliance updates

Collaboration platforms and Health Information Exchanges (HIEs)

Patient-centric approaches to care and billing

THANK YOU!

Please reach out directly with questions or inquiries.

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