

27th Annual Revenue Cycle and Finance Conference
Building Beyond: Leading the Future of Revenue & Finance

WINNING THE DENIALS GAME – HOW AI IS TRANSFORMING APPEALS MANAGEMENT

Shari Boyer,

Enterprise Director Denial Management

WVU Medicine

Scott Earich

Principal - The Wellington Group

January 15th, 2025



massachusetts-rhode island chapter

MA / RI Hospital Denial Environment in Context

Massachusetts Challenges

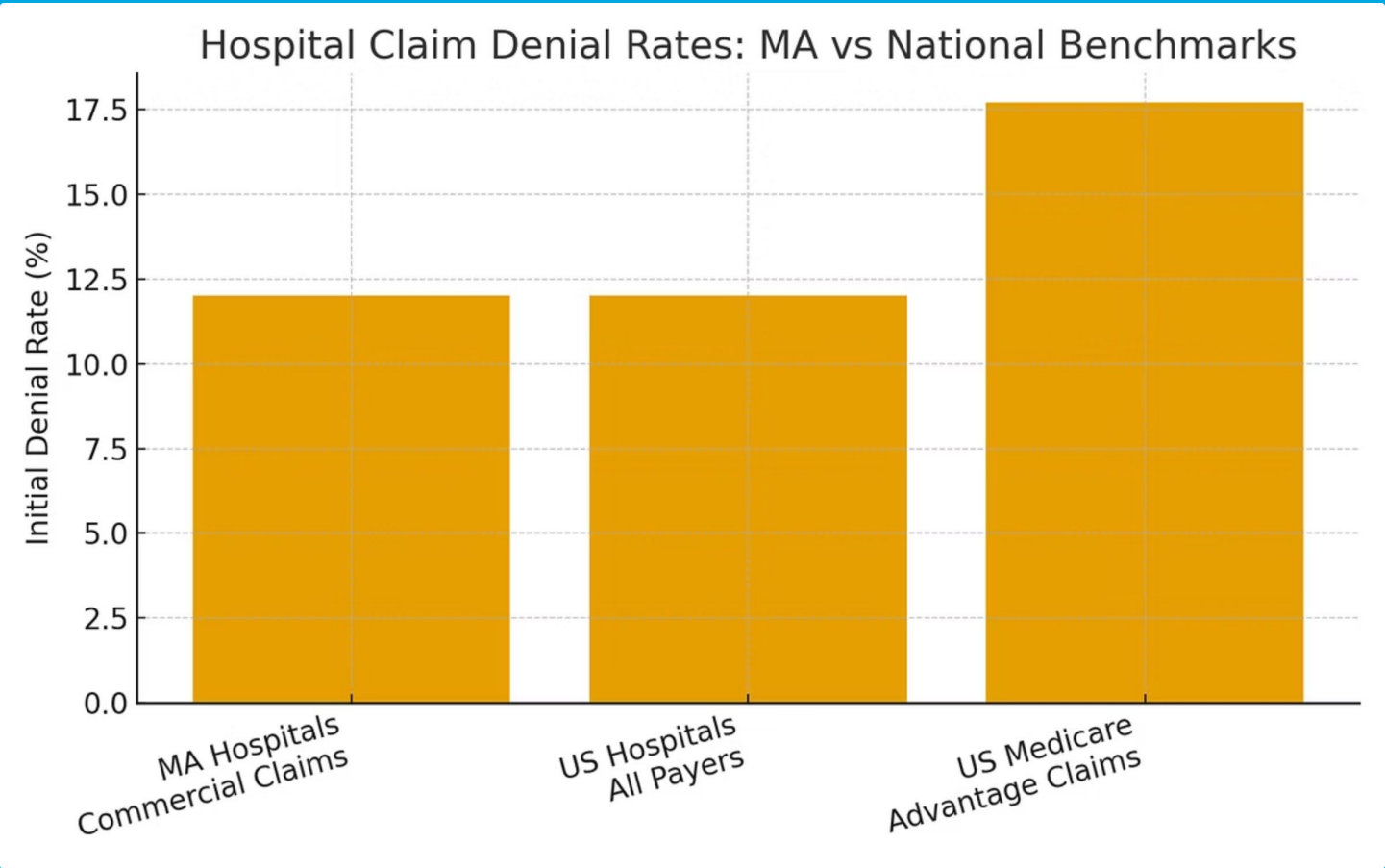
MA hospitals face a **12% commercial claims denial rate** amounting to **\$1.5 billion annually**. While **over 80% are eventually overturned**, the initial denial creates significant administrative burden.

National and Medicare Trends

Nationally, hospitals average **12% denial rates**. More critically, **Medicare Advantage denies 17.7% of claims**, drastically impacting revenue even after successful appeals.

Rhode Island's Unique Strain

RI hospitals experience similar denial pressures but are compounded by **lower reimbursement rates** than MA/CT and a **heavier Medicare/Medicaid patient mix**, amplifying the financial strain on the system.



Every Hospital Faces the Same Obstacles



Staffing shortages & growing backlogs



Inconsistent documentation quality



Fragmented data and manual processes



Lack of automation or analytics



Escalating payer audits

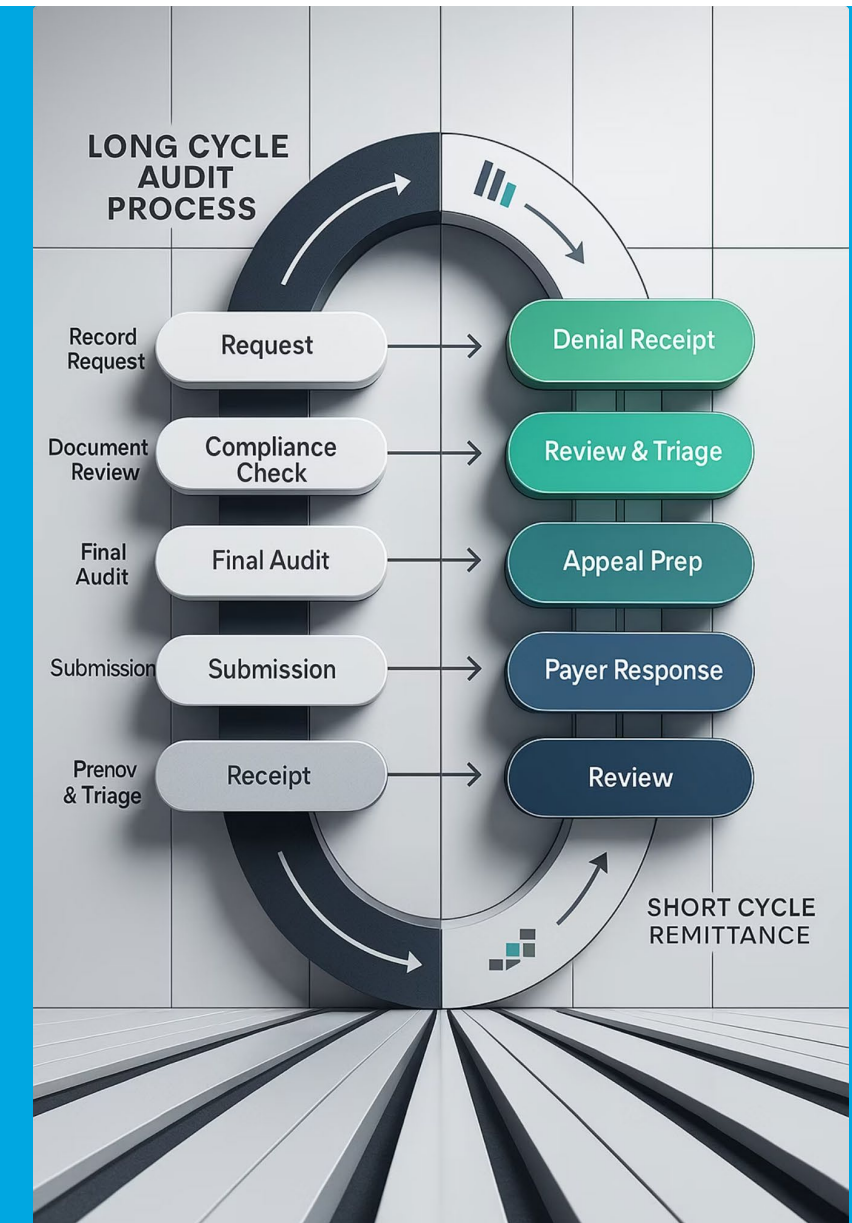
Understanding the Two Paths of Denial Management

Audit Denial (RAC/MIC/CERT/Commercial/Go v):

- Triggered by ADR/audit letter
- Packet-heavy, full exhibits/index
- Multi-level review process
- **Risks:** complexity, formatting, missed deadlines

Remittance Denial (835/EOB):

- Triggered post-adjudication
- Fast triage: corrected claim vs appeal
- **Risks:** routing errors, repeated small-dollar leakage



Challenge 1

Time-Consuming, Labor-Intensive Process

Before:

- Manual research across EMR, payer manuals, spreadsheets
- Hours spent per appeal, limited daily submissions

After:

- Preparation time reduced from **hours** → **minutes**
- Increased submission rates
- Freed staff to focus on strategic denials



Challenge 2

Inconsistent Appeal Quality

Before:

- Writer-dependent tone, missing policy citations

After:

- Integrated payer language, NCD/LCD, and medical necessity criteria
- Consistent structure, tone, and supporting references
- Higher overturn rates and faster payer responses



Emotional Challenges (What People Feel)



Job security anxiety:

"Is this trying to replace me?"



Trust doubts:

"Will it be accurate—and will I be blamed if it isn't?"



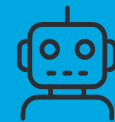
Being watched:

Fear of micromanagement or time tracking.



Cross-team friction:

Clinical vs. coding vs. finance priorities.



Loss of craft/pride:

"A robot is writing my letter."



Change fatigue:

"Another tool, more clicks, same workload."



Compliance fear:

"One mistake could get me in trouble."



Moral discomfort:

Denial/appeal work already feels heavy.

These feelings are normal. We name them up front so we can address them together.

How We Reduce the Emotional Load (What People Need)



Human in charge:

AI assists; writers and clinicians make the call.



Small wins first:

Short pilot, quick feedback, visible time saved.



Credible messengers:

Peers and physician advisors lead the change.



Respect for craft:

The tool speeds grunt work so experts do the thinking.



Real support:

Buddy system, office hours, fast answers.



Recognition:

Credit authorship, share wins, celebrate improvements.



Safety & fairness:

Clear review steps; no 'gotcha' metrics or blame.



Transparency:

Every statement is cited; easy to verify or edit.

We're improving the work, not replacing the worker—and we'll prove it with small, visible wins.



Turning Chaos into Clarity with AI

WVU's AI Transformation: From Manual to Modern



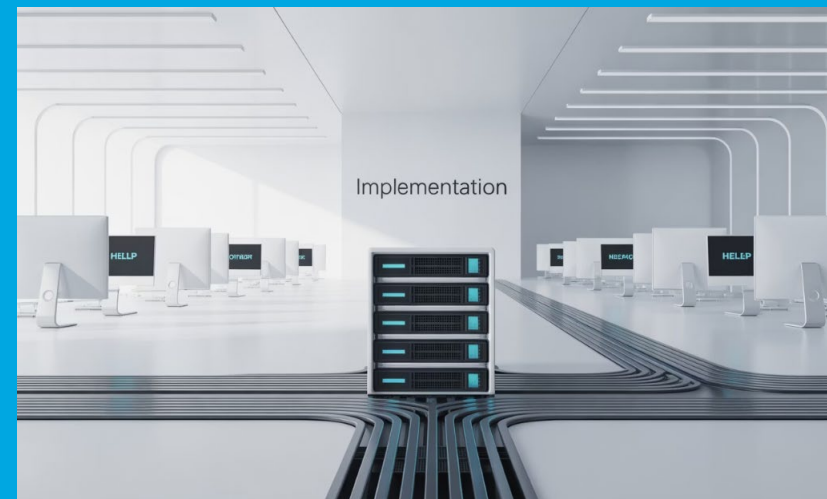
The Challenge: Manual & Inefficient

Before AI, WVU's denial team faced significant challenges with chaotic manual processes leading to high workloads and potential delays.



Rapid Implementation: AI Goes Live

A cloud-based SaaS solution was deployed in under 30 days, requiring minimal IT support for a smooth and swift transition.



Tangible Results: Clarity & Satisfaction

- **30% reduction in manual workload**
- Improved turnaround and overturn success rates
- Greater staff satisfaction and productivity





Fighting AI Denials with AI Intelligence

- Automates research, policy alignment, and drafting
- Extracts structured and narrative data
- Ensures compliance and consistent language
- Expands throughput without additional FTEs

What Every Hospital Should Look For in a Modern Appeal Solution

Conversational Medical Record (CMR)

Ask natural-language questions and get clear answers.

Targeted Retrieval & Evidence Pack

Combine structured data + clinical narratives.

Research & Knowledge Search

Locate payer policy, LCD/NCD, coding refs.

Clinical Decision Trees

Validate conditions (sepsis, malnutrition, anemia).

Agent-Assisted Drafting

Generate structured appeal drafts in minutes.

Interactive Co-Authoring

Adjust tone, content, and payer-specific detail live.

Template Integration

Auto-apply branding and standard formats.

Electronic Delivery

Send securely to payers/auditors.

Designing Security Into AI Agent Products



Agent Guardrails

- Role-locked prompts restrict agents to defined tasks.
- Structured output prevents unsupported clinical claims.
- Evidence validation before generating rebuttals.



Model Behavior Controls

- Deterministic settings for auditability.
- Boundary prompts prevent scope drift.
- Continuous evaluation against payer rules.



Moderation & Safety Controls

- Real-time moderation for unsafe or biased content.
- Detection of unsupported arguments or contradictions.
- Safety fallbacks pause execution on ambiguous input.



Operational Safeguards

- Multi-agent cross-checks for enhanced accuracy.
- Versioned prompts & configurations for tracking changes.
- Human-in-the-loop for reviewing and resolving edge cases.

The Shift from Manual to Machine-Enabled Accuracy

Points:

- Denials will keep rising into 2026.
- Hospitals must defend against payer AI.
- AI adoption = faster revenue recovery, stronger compliance, reduced burnout.

Lessons from the Frontlines



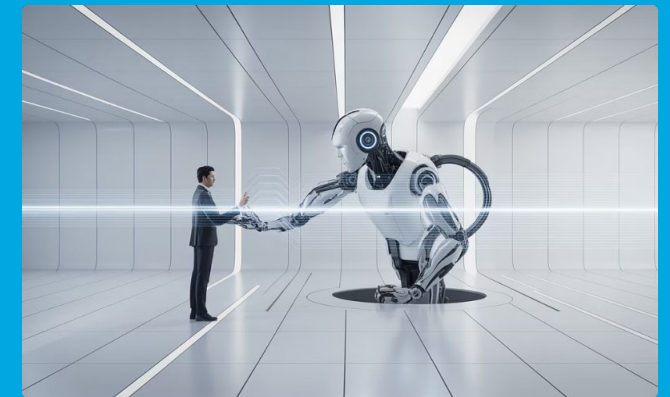
Denials are escalating across all payers.



AI streamlines research, improves quality, and reduces cost.



Focus on repeatable appeal types to see fastest ROI.



Keep humans in charge of strategy—AI handles the heavy lifting.

Let's Talk About Denials

- Who's using AI in their appeal workflow today?
- What's your biggest barrier to implementing automation?

Contact:

- info@wellingtongroup.biz
- www.wellingtonware.com

THANK YOU!



the wellington group

