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The Evolution of Denials Prevention, Where Are You in Your Journey?

September 17, 2019

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1

1

SPEAKER

Geoff New, MBA, RHIA, CRCR
Vice President
Provider Solutions - Revenue Cycle

Geoff is an experienced leader with more than 27 years of professional experience in the healthcare industry. He excels at delivering quality services that improve fiscal performance for hospitals and health systems, and he has spent his career working collaboratively with senior leadership, vendors, colleagues, staff, and facilities to exceed operational objectives.

Geoff joined Ciox Health in 2017 as the company's Vice President of Provider Solutions. In this role, he is responsible for designing, implementing and operationalizing revenue cycle solutions with a team of revenue cycle professionals, registered nurses, and physicians.

Prior to joining Ciox Health, Geoff led a team of employees across 130 locations and focused on Revenue Cycle, HIM operations, process re-engineering, regulatory compliance, and performance improvement initiatives for leading hospital systems around the country.

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2

2

OBJECTIVES

- Introductions
- Denials Overview
- Understanding and Managing Denials
- Leveraging Technology
- Call To Action and Top 10 Strategies
- Conclusions

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3

3

About Ciox

Ciox pairs visibility into clinical data with expert review to provide measurable clinical and financial benefits to Revenue Cycle.

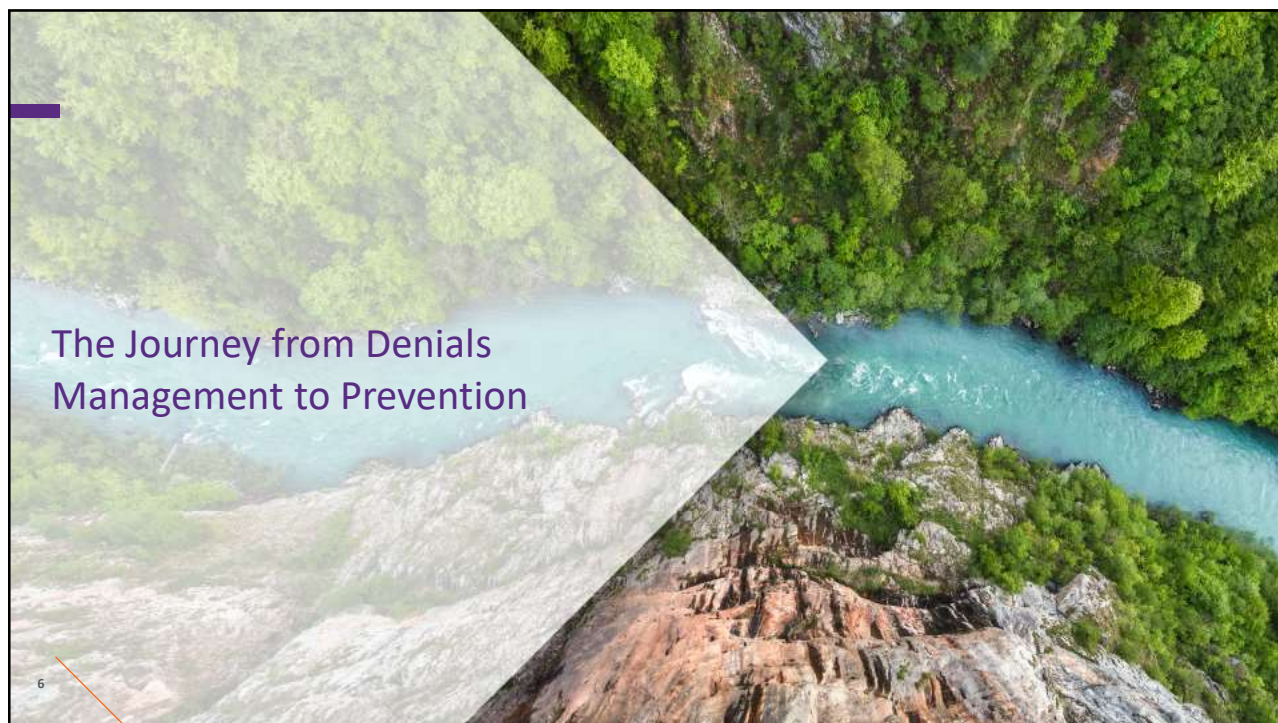| 100M+	3B+	400+	10k+	3 of 5	650k+
health information records reliably handed annually	annual clinical data transactions conducted	EMR systems for record access	Nursing, clinical, and HIM medical record experts	Networked hospitals in the United States	Providers from whom data is sourced

4

About Healthcare IP

Healthcare IP is an integrated partner of healthcare provider and payer organizations, advocating data transparency and user experience in the revenue cycle. Our flexible SCALE platform reduces touchpoints through workflow automation and organizes data to make sense.

- ➢ EDI Clearinghouse
- ➢ Privately Owned and Operated in Oklahoma

- ➢ Decades of Industry Experience
- ➢ Top-Shelf Client Services

5

The Journey from Denials Management to Prevention

6

6

BY THE DENIALS NUMBERS(AVERAGES) AND PROCESS

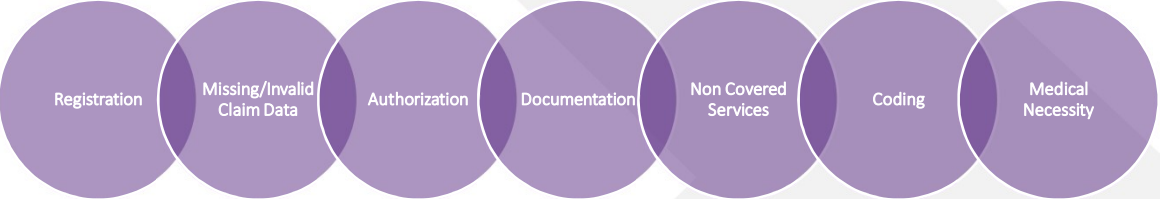| 9%	5%	3%	15%	3%	40-60%	$262B
Of Claims are Denied	Clinical Denials as percent of Gross Revenue	Technical Denials as percent of Gross Revenue	Missing or Unsupported Data	NPR is the Average Denial Impact	Rate of Appeals that are Overturned	Annual Provider Denials

Typical Denials Hurdles

➤ Ownership
➤ We will Fix It On the Back End
➤ Resources
➤ Out of Sight Out of Mind
➤ Tools
➤ Data Overload
➤ Analysis Paralysis
➤ Challenging Payer Relationships

The data is based on average and will vary based on the size of the bucket.
Source: Change Healthcare Data 2016

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7

TOP DENIAL REASONS

Registration — Missing/Invalid Claim Data — Authorization — Documentation — Non Covered Services — Coding — Medical Necessity
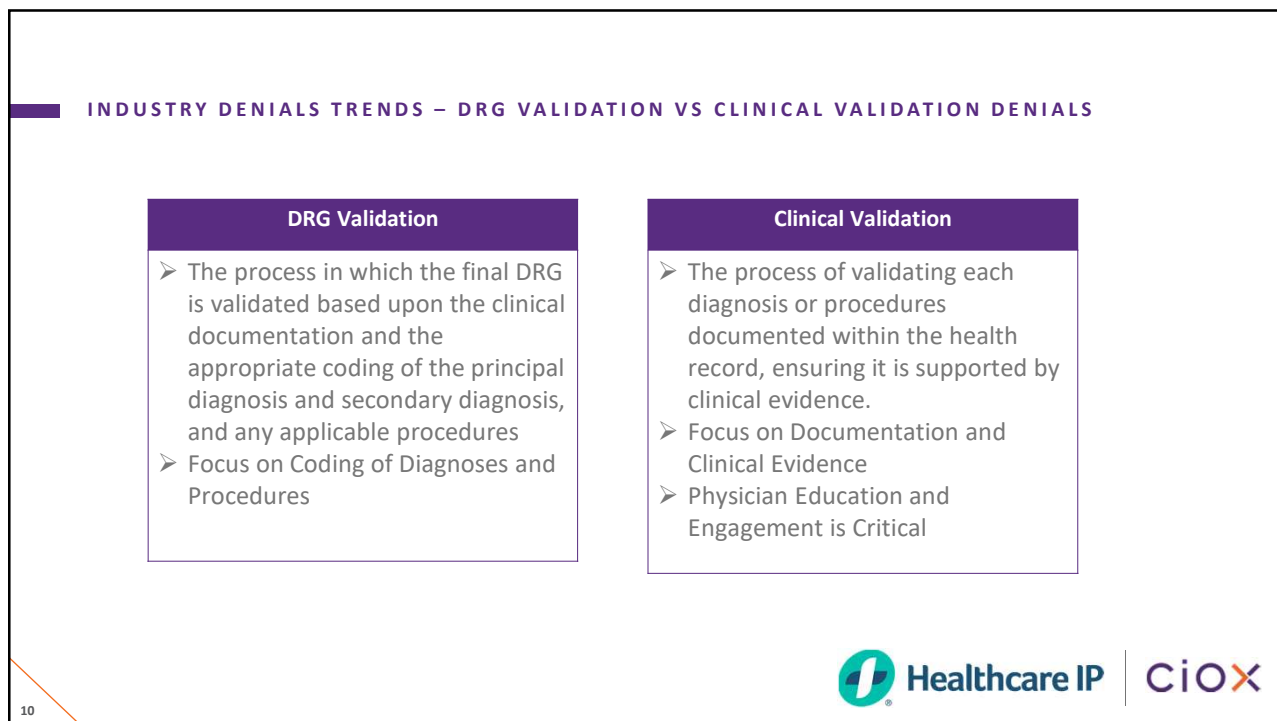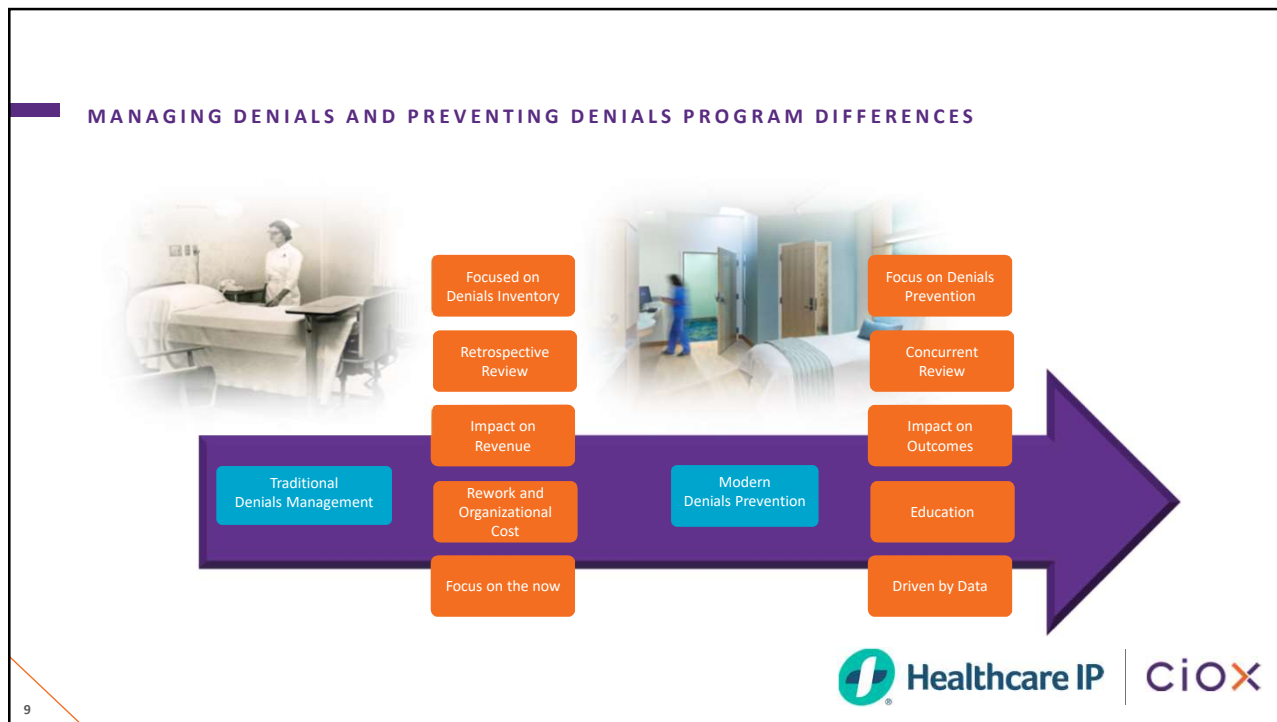
DENY
Limits paid claims to only those that are definitively allowable which starts cycle of rework

DELAY
"Slow Pay"
Increase the time to pay, which improves payer working capital and causes unnecessary follow up for organizations

DEFEND
Use legal activity to defend claims payer believes are unallowable which impacts cash flow

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8

MANAGING DENIALS AND PREVENTING DENIALS PROGRAM DIFFERENCES

Traditional Denials Management
- Focused on Denials Inventory
- Retrospective Review
- Impact on Revenue
- Rework and Organizational Cost
- Focus on the now

Modern Denials Prevention
- Focus on Denials Prevention
- Concurrent Review
- Impact on Outcomes
- Education
- Driven by Data

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9

INDUSTRY DENIALS TRENDS – DRG VALIDATION VS CLINICAL VALIDATION DENIALS

DRG Validation	Clinical Validation
➤ The process in which the final DRG is validated based upon the clinical documentation and the appropriate coding of the principal diagnosis and secondary diagnosis, and any applicable procedures ➤ Focus on Coding of Diagnoses and Procedures	➤ The process of validating each diagnosis or procedures documented within the health record, ensuring it is supported by clinical evidence. ➤ Focus on Documentation and Clinical Evidence ➤ Physician Education and Engagement is Critical

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10

10

Slide 11

COST AND VALUE OF DENIALS

Potential Cost From Denied Claims	
Number of Denied Claims Per Physician/Service/DRG/Procedure Per Year	#
Average Cost to Rework Each Claim	$ X.XX
Number of Physicians/Services/DRGs/Procedures Per Year	#

Potential Cost From Denied Claims	
Per Week	$ X.XX
Per Month	$ X.XX
Per Year	$ X.XX

Potential Income From Denied Claims	
Number of Reworked Claims	#
Average Reimbursement Dollar Amount for Each Claim	$ X.XX

Potential Income From Denied Claims	
Per Week	$ X.XX
Per Month	$ X.XX
Per Year	$ X.XX

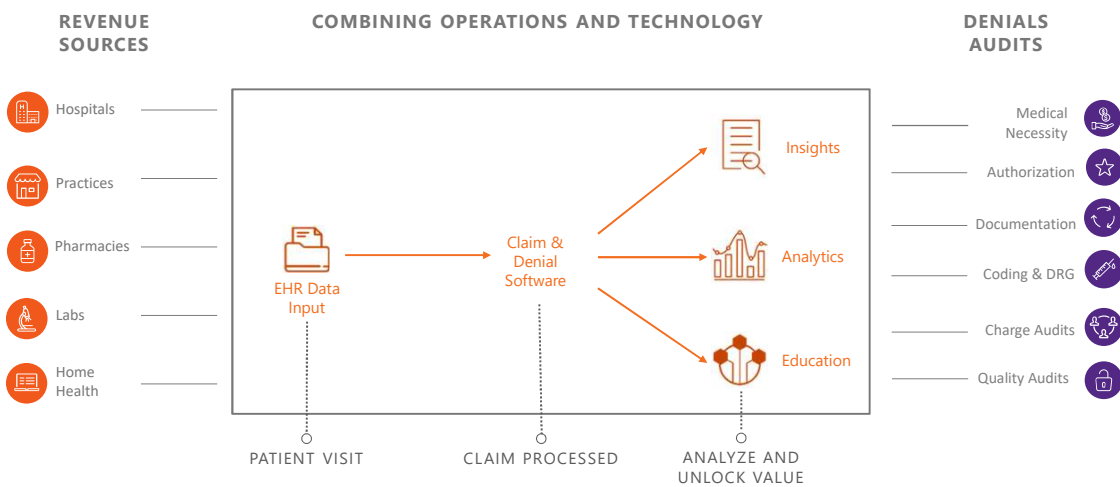| $ X.XX	+	$ X.XX	=	$118.00+*
Average Cost to File Initial Claim		Resubmission of Rejected Claims		Average Total Cost of Denied Claim

*Source: https://www.beckershospitalreview.com/finance/denial-rework-costs-providers-roughly-118-per-claim-4-takeaways.html

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11

Slide 12

THE INPUTS AND OUTPUTS OF DENIALS OPERATIONS AND TECHNOLOGY

REVENUE SOURCES: Hospitals, Practices, Pharmacies, Labs, Home Health

COMBINING OPERATIONS AND TECHNOLOGY

EHR Data Input → Claim & Denial Software → Insights, Analytics, Education

DENIALS AUDITS: Medical Necessity, Authorization, Documentation, Coding & DRG, Charge Audits, Quality Audits

PATIENT VISIT — CLAIM PROCESSED — ANALYZE AND UNLOCK VALUE

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12

LEVERAGING TECHNOLOGY AND ANALYTICS

Key Advantages

Explore
Deep Dive with View Filter Options

Discover
Trend + Variance Analysis

Share
Export Action Items

Key Advantages

Comprehensive Data
Retro + Ongoing Data Collection

Interactive
User Friendly + Quick Insights

Customizable
Standard + Custom Reports

13

13

CALL TO ACTION

Operations	Technology
➤ Identify Top 5 Denials and Denials Rate for Organization ➤ Review Current Denials and Appeals Processes ➤ Conduct an 835/837 Data Analysis to Identify Areas of Focus ➤ Engage Key Stakeholders from All Ancillary Services ➤ Engage Physicians ➤ Communicate Denials Outcomes and Impacts ➤ Educate Organization on Denials Impact ➤ Partner with External Resource to Provide Support to Shift from Retrospective to Concurrent Management of Denials ➤ Complete, Maintain, and Manage a Denials Workflow that Starts Upstream	➤ Identify Systems or Technology that Contribute to Denials ➤ Review and Complete and Master Patient Index (MPI) Clean-Up ➤ Review Current Use of Technology and Third-Party Systems to Ensure Appropriate Level of Support ➤ Identify Technology that Facilitates Ease of Use and Completion by End Users ➤ Leverage Analytics and Data to Support Meetings with Organization Payers ➤ Utilize 835/837 Daily Feeds to Manage Denials in Real-Time to compensate for fluidity in the Industry ➤ Eliminate Manual Processes in which Technology Can Automate to Improve Ability to Defend and Appeal Denials

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14

14

DENIALS PREVENTION – REQUIRES FOUR KEY ELEMENTS WORKING IN UNISON TO ACHIEVE BALANCE

RETROSPECTIVE DENIALS

- **AR Management:** Request and receive digitized records quickly
- **Billing:** Leverage connections to multiple EMRs and provider relationships to access a wide variety of records

Retrospective Denials

Concurrent Denials

DENIALS PREVENTION

CONCURRENT DENIALS

- **Scheduling:** Drive decision-making through faster access to detailed extracted member data
- **Authorizations:** Drive decision-making through faster access to detailed extracted member data
- **Utilization Review:** Drive decision-making through faster access to detailed extracted member data

INTERNAL EDITS "DENIALS"

- **Charge Capture:** Alleviate storage and security requirements
- **Coding:** Reduce labor requirements necessity to maintain record organization

Internal Edits "Denials"

Resources and Tools

RESOURCES AND TOOLS

- **People:** Drive more powerful evaluation through data aggregation, improving population analytics and insights
- **Process:** Use the ability to search and filter to select specific patient populations to
- **Tools:** Drive more powerful evaluation through data aggregation, improving population analytics and insights

Overall, Denials Prevention Requires an Organizational Commitment, with Action, Follow Through and Ongoing Trending To Be Successful.

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15

15

TOP 10 DENIALS STRATEGIES

Strategies for Success

1. Verify Insurance and Demographics
2. Document, Document, Document
3. Utilize Technology
4. Utilize Data to Support Position
5. Establish Ownership
6. Educate and Engage Stakeholders
7. Communicate The Good, Bad, and Ugly
8. Know Your Payers
9. Ongoing Monitoring in Real-Time, Analysis and Revision of Processes
10. Don't Delay…..Start Today!

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16

16

The True Clinical Picture - Defined

"At the end of the day, everyone wins through quality – patients receive optimal care and health care providers benefit financially and operationally. Ultimately, everyone realizes the benefits that come with the availability of high-quality health information. Focusing on improving the quality of documentation and medical records allows organizations to consistently present the *True Clinical Picture*, facilitating meaningful use of information to achieve positive outcomes."

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17

17

Thank you

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18

18