Denial Management Program Eliminates $1M in Denials

CASE STUDY

PROVIDER BACKGROUND:

More than 50 hospitals and 1,200 patient access points

Nearly 50,000 employees, including more than 9,000 physicians, serving a diverse population of more than 3 million Texans

Award winning for High Performance in Revenue Cycle for integrated delivery system

With a robust revenue cycle, a large Texas not-for-profit health system faced challenges stemming from its high professional billing (PB) denial volume, significantly impacting collections and cash flow. Denials within the accounts receivable (A/R) inventory resulted in increased costs, frequent errors, and reduced efficiency.

AGS Health implemented a denial management project management office (PMO) to improve the health system's denial management process by combining analytics, technology and a PMO resource to lead efforts and a collaborative approach with the client. Identifying root causes of denials and implementing targeted mitigation strategies significantly reduced denial volume, leading to improved operational efficiency and enhanced financial outcomes.

OPPORTUNITIES

- Reduce high professional billing denial volumes across key categories by addressing recurring issues in coding, billing, and prior authorizations.

- Enhance pre-billing and coding accuracy and reduce inefficiencies and bottlenecks through targeted edits and automation.

- Improve cash flow by reducing denial-related operational costs and expenses incurred by the collections team to work and appeal denied claims.

- Empower teams with actionable insights through advanced data analytics.

Solution

Analytics:

- Implemented a comprehensive denials dashboard to provide valuable insights into denial trends and analysis, empowering informed decision making.

Root Cause Analysis:

- Collaborating with the client, the AGS PMO leveraged the analytics to perform root cause analysis and optimize resource allocation to expedite denial resolution.

Collaboration on Denial Remediation:

- Recommended 35+ HIM edits for coding issues, including modifiers, CPT/DX reviews, and lab-related denials.

- Improved billing processes by resolving information gaps and attachment-related errors through pre-submission checks.

- Conducted training sessions for clinical and HIM teams to address authorization and billing challenges.

Automation Solutions:

- Introduced automated adjustments for non-covered services to reduce unnecessary manual collections workload.

DRIVING REVENUE CYCLE RESULTS

To proactively address customer challenges and mitigate revenue loss, AGS Health established a dedicated denial management PMO. The AGS PMO resource implemented a robust denial management strategy focused on trend identification, root cause analysis, and process optimization to remediate denial trends at the source. By leveraging advanced analytics tools and collaborating with the customer to address denial trends, AGS's PMO helped significantly reduce denial rates and improve overall revenue cycle performance, setting a new benchmark for excellence in revenue cycle management.

Reducing Denials

Reduced denials by $1 million over 10 months, including a 62% reduction in coding denials, a 40% reduction in billing denials, and a 64% reduction in authorization denials.

Operational Improvements

Improved coding accuracy and clean claim rates by collaborating with HIM and billing teams to improve cash flow and resource allocation.

Process Improvements

Established institutional processes for PB denial management by implementing PMO program, including a streamlined denial tracking and reporting dashboard to enable proactive decision-making.