Managing Denials

Gianni Gonzalez, CPC
Practice Consultant
HealthCare Management Solutions
OBJECTIVES

- The importance of managing denials
- Common mistakes
- Top 13 denial reasons
- Managing denials
- Process improvement plan
- Methods to prevent common denials
- BC/BS of Florida
- Medicare
- National Health Insurer Report Card

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Revenue Cycle

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According to a recent study by the Health Insurance Association of America, 14% of all claims submitted to payers are denied - that's one in seven that need rework, resubmission, and possible appeal by the provider. The same study found that six percent of EDI claims are rejected even before entering the payer's claim system, and these are not even counted as denials.
Industry Studies Show

- 50% of denied claims are never re-filed.
- Most of these claims are never analyzed to determine if recovery is possible. This lack of analysis, regardless of the reason, leads to a claim that is written off.
- The reason for the write off is often not related to the original denial issue, and the critical issues that triggered the denials are lost and destined to be repeated.

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Only half of all first denials are ever appealed.

What's more, studies show that 45 percent of all first denial appeals are won.

50 percent of second denial appeals and 10 percent of third denial appeals are won.
Denials that are overlooked = Lost Revenue

Time spent on researching = Increased Administrative Costs

Time spent on refiling or appealing denials = Increased Administrative Costs
Common Mistakes

- Not keeping up to date with new guidelines
- Not completely reading, understanding the resolutions to remittance advice
- Continuously refiling the same claim over and over again
- Improper or no use of modifiers
- Not being familiar with national and/or local coverage determinations

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THANK YOU!

HealthCare Management Solutions
(904)465-2863

Gianni@Medicalcodingaudits.com
www.medicalcodingaudits.com