THE **DENIALS MANAGEMENT** PLAYBOOK

Countering Payer AI-Powered Denials

Insurance denial rates have increased 20 percent in the last five years, negatively impacting reimbursements, according to a report by *Healthcare Finance News*. This escalation of denials is causing huge administrative burdens for hospitals, health systems and physician groups.

To keep up with claim rejections and get ahead of the denials game, providers need to be leveraging leading-edge automated solutions that incorporate AI to stay competitive.

This Denials Management Playbook contains strategies for countering the rise in payer denials so providers can effectively appeal and overturn denials, and maximize cash recovery, and reduce loss.

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Why are **PROVIDERS LOSING TO PAYERS?**

Current payer practices combined with AI technologies and computer algorithms are denying claims by the thousands every month, resulting in:

- **Increased staffing demands** in an already understaffed healthcare industry
- **Reduced margins** and even operating losses for some
- **Rising administrative burdens**

Providers are getting outplayed and outsmarted by payers playing the denials game. Providers simply do not have the internal staff or financial resources to build the right technologies internally to combat the rise in denials.

By not implementing technology-powered revenue cycle management (RCM) solutions early enough, providers are at the mercy of payers.

EXAMPLE

50,000
Provider organization has 50,000 accounts in inventory > 30 days from billing date

20,000
Staff is **working 20,000 accounts per month**

30,000
Organization is **falling 30,000 accounts per month short** of where it should be

What can providers do to **FIX THIS PROBLEM?**

Providers need to be tapping tech solutions aggressively to automate billing, claims follow-up and the appeals process in order to increase their response times and throughput to match that of the payers.

Providers should start by assessing internal capacity and reviewing how often staff is touching insurance inventory.

SOLUTION

Options to **SOLVE THE PROBLEM:**

HIRE ADDITIONAL STAFF

DEVELOP TECHNOLOGY-POWERED AUTOMATION that will replace the need for staff via the provider's internal IT team and deploy inside the organization

PARTNER WITH AN EXPERT DENIALS RESOLUTION VENDOR that already has the staff and technology in place in order to expand the organization's scale immediately

What to **LOOK FOR WHEN OUTSOURCING:**

Ask the following questions:

- ? **What is the vendor's experience** in the healthcare revenue cycle?
- ? **Has the vendor generated measurable financial results** for its provider clients by leveraging technology-powered solutions, including AI and automation?
- ? **What is the vendor's track record** for appealing and overturning denials?
- ? **What processes does the vendor employ** to review data, remit data, and determine and classify the nature of denials?
- ? **Can the vendor help institute process improvements** for claim submissions that will reduce future denials?

The right vendor can build interfaces and do testing, which takes a tremendous amount of time and resources to do internally. Partnering with the right vendor means that solutions can scale up quickly, because there is no need for the provider's IT department to be involved.

BALANCING A/R based on age

The older claims get, the more difficult they are to resolve. Technology-powered solutions like AI and automation are more effective in the early stages of a claim's life. Consider selecting a partner that can work in partnership with internal staff in one of these ways:

IF YOU SIMPLY DON'T HAVE ENOUGH STAFF, determine the amount of volume you can work internally, and then outsource the smaller dollar claims that fall below that cutoff to your vendor on Day 1 so they can maximize the use of their automation and AI tools.

IF YOU HAVE LESS TENURED STAFF, work the simple re-bill and initial follow-up internally and outsource denied claims to a vendor immediately upon denial to ensure that the more complex claims get worked by experts; choose a vendor that has automation and AI tools.

IF YOU HAVE A COMBINATION OF BOTH STAFF lower than needed staff and less tenured staff, consider working claims in-house for only a certain number of days (like 60 days, when 75%+ of your claims should be paid), and then outsource anything that still isn't resolved within that time.

Leveraging technology-powered AI and automation solutions for solving claim denial issues is not a passing trend. It is a fundamental transformation that will require providers to get on board or risk falling behind financially.

If you don't have the time to analyze your A/R as we recommended in the playbook, Meduit can do a free assessment to show you the best path for your organization or practice to drive higher cash, higher earnings, and lower denials. Contact us: **contactus@meduitrcm.com**.

About **MEDUIT**

Meduit is one of the nation's leading revenue cycle solutions companies with decades of experience in the RCM arena, serving 1,100 hospitals and large physician practices in 48 states. Meduit combines a state-of-the-art accounts receivable management model with advanced technologies and an experienced people-focused team that takes a compassionate and supportive approach to working with patients. Meduit significantly improves financial, operational, and clinical performance, ensuring that healthcare organizations can dedicate their resources to providing more quality healthcare services to more patients. For more information, please visit **www.meduitrcm.com**.

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