

5 STEPS

for a Strong Denials Management Process



HOW MUCH TIME does it take your organization to manage claims denials? It's probably much more than you would like to spend.



However, of all the efforts you put toward ensuring your organization is financially successful, managing denials may be the most critical step. Having a strong denials management process can help you recoup significant revenue that would otherwise be lost, as well as identify trends in errors, so you can correct your processes to prevent future denials.

1 Calculate your current denials rate

Divide the number of denied claims from a payer by the total number of claims submitted to that payer. Multiply this by 100 to determine your denial rate and establish a benchmark.

$$(\text{Claims Denied} \div \text{Total Claims}) \times 100 = \text{DENIAL RATE}$$

2 Track historical denials and payments

Review past claims and remit data to see when you've been paid correctly and when your claim was denied. For each denial, assess the reason, the dollar amount and the appeal status.

3 Identify trends

Categorize your denials, looking for patterns that will help you prevent future denials.

Also isolate denial reason codes that historically have been the shortest appeal resolution time in order to get paid quicker.

4 Focus on claims with the highest probability of getting paid

Concentrate your attention on the denials that will quickly generate revenue with easy fixes, such as filling in missing information or revising an incorrect code. Weigh whether claims with eligibility issues or improperly documented services are worth readdressing.

OPTIMAL

practice performance is generally **5% OR LESS.**

Don't fight too many losers.
Best practice is to appeal **85 to 88% of denials.**

5 Update process to prevent denials

By uncovering your most common causes of denials, your staff can look at changing existing or creating new processes that will help prevent future denials. For example, if many of your denials involve patient eligibility, checking each patient's insurance both before and on the day of service will help with claim accuracy.

A good denial management plan will help optimize your finances.

The right solutions should be the foundation of your strategy. Get tools and support from TriZetto Provider Solutions® to make a difference in your practice.



Learn More - 800-969-3666