

HEALTHRISE.

BROWARD HEALTH/HEALTHRISE DENIALS ENGAGEMENT

PROJECT OVERVIEW

5/19/2021



EXECUTIVE SUMMARY

AGENDA



- 1 Denials Team Introduction
- 2 HealthRise Engagement
- 3 Hospital Denials Overview
- 4 Broward Health Reporting and Metrics | Industry Comparison
- 5 Successes and Opportunities

INTRODUCTIONS

BROWARD HEALTH PARTNERED WITH HEALTHRISE TO BUILD A COMPREHENSIVE DENIALS PREVENTION AND MANAGEMENT PROGRAM



BROWARD HEALTH



Carmen Alarcon
Director, Denials
Improvement

- Leads all organizational activities related to denials prevention and management
- Oversees team of 9 clinical and technical denial specialists

HEALTHRISE APPROACH

- The HealthRise team engaged with Broward Health to install a comprehensive denials program, setting Broward Health up for long-term success
- HealthRise collaborates with the Broward Health team to identify barriers preventing payment and implement process fixes
- The team focused on high impact initiatives, driving improvements to the bottom line by preventing revenue leakage and increasing cash collections

HEALTHRISE TEAM



Lee Jacobs



Ehson Afshar



Stephenie Tollett

- Three on-site team members with over 40+ years of combined experience

BROWARD HEALTH | HEALTHRISE ENGAGEMENT OVERVIEW

TWO YEAR LONG PROCESS TO BUILD COMPREHENSIVE DENIALS PROGRAM



May 2019

HealthRise completed full Revenue Cycle assessment; Broward Health Executive Team prioritized denials prevention and management

Nov 2019

HealthRise kicked off strategy and design work for new denials prevention and management program

Jan 2020

Implemented enhanced denials prevention program

Mar 2020

Created reporting suite to track key performance indicator (First Pass Denial Rate)

Jul 2020

Stood up Centralized Denials Management Team

2021 - Present

Continued focus on denials prevention through analysis and process implementation

DENIAL FUNDAMENTALS

DENIALS ARE A REFUSAL BY AN INSURANCE PAYER TO PAY FOR SERVICES



1 HOW ARE DENIALS COMMUNICATED TO PROVIDERS?

- When a claim is adjudicated, the payer returns a remittance with **Claim Adjustment Reason Codes (CARC)**.
- CARC codes can be categorized into Contractual Allowances, Adjustments, Patient Responsibility, and **Denials**.
- Denials are further classified into **controllable** (avoidable) or **uncontrollable** (unavoidable)
 - **Controllable:** Failure to follow payer guidelines by front, middle, or back-end revenue cycle operations
 - Example: Authorization was not obtained or was not obtained for correct length of stay or service performed
 - **Uncontrollable:** Payer requires certain protocols to be followed, including submitting medical records, itemized statements, or bundled procedures¹
 - Example: Implant invoice required for all services billed or medical records required for extended length of stay

2 WHAT ARE THE DIFFERENT DENIAL TYPES?

- Denial CARC codes are categorized into groupings which include: Authorization, Medical Necessity, Registration, Non-Covered, Additional Documentation, Billing Error, Timely Filing, Credentialing, or Coding
- Due to variations in payer use of denial CARC codes a **comprehensive evaluation by code and payer** is conducted to determine if it is a true denial

3 WHAT IS THE FIRST PASS DENIAL RATE (FPDR)?

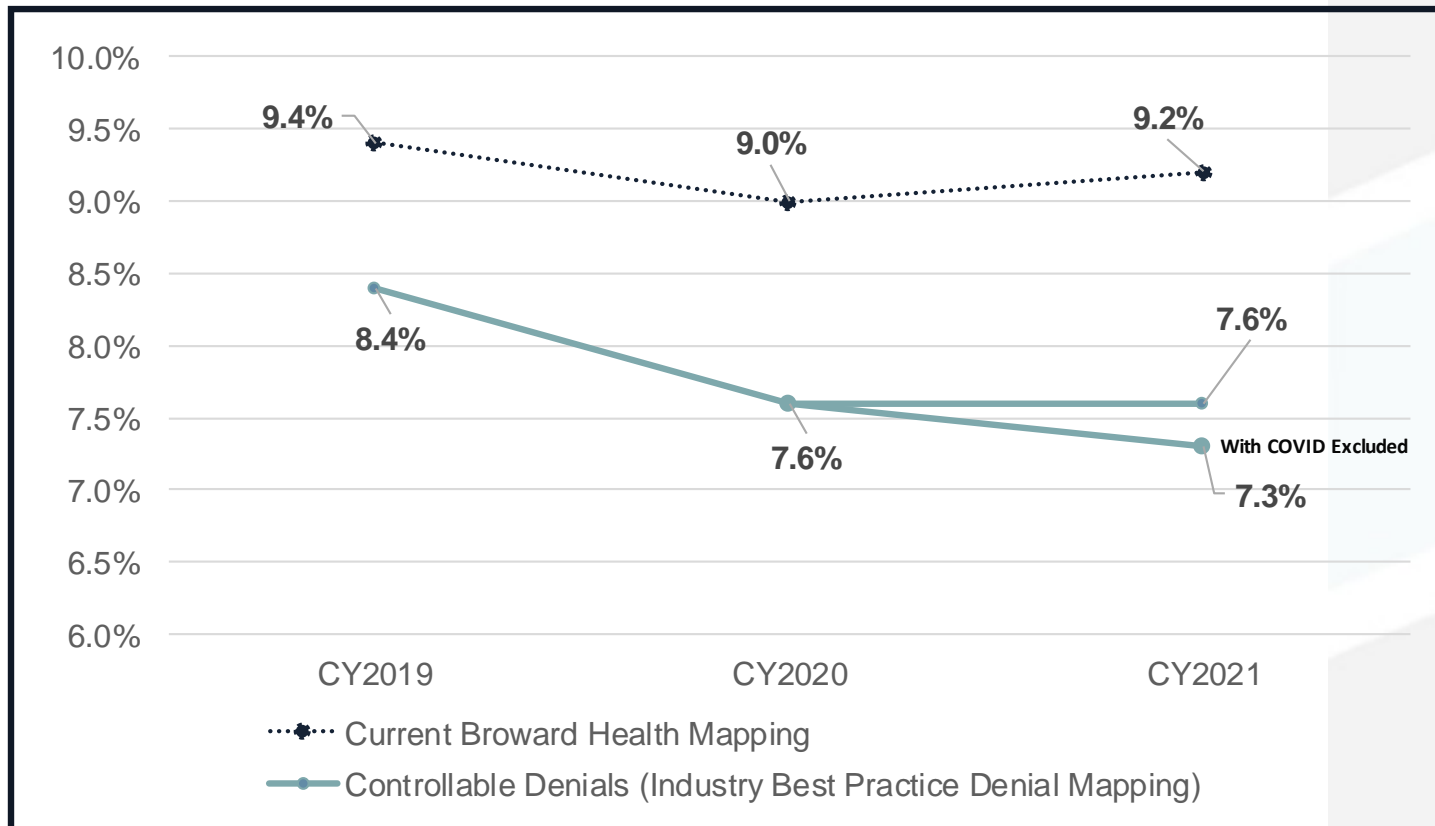
- The first pass denial rate is a quality indicator that compares the first denial received by the primary payer. This indicator does not include non-primary payer denials or subsequent denials and allows comparison across the industry.
- FPDR allows the organization to **track the true denial impact** on a monthly basis, excluding unavoidable CARC codes

BROWARD HEALTH FIRST PASS DENIAL RATE (FPDR)

THE TEAM REDUCED DENIALS IN CY2020 OVER PRIOR YEAR WHEN LEVERAGING INDUSTRY BEST PRACTICE DENIAL MAPPING



Denial FPDR Trending



Additional Detail

- Broward Health shows favorable improvement in CY2020/CY2021 when utilizing industry best practice denial mapping
- Current denial mapping includes non-denials and items that cannot be prevented – these CARCs increased by ~\$2M monthly, artificially inflating FPDR in CY2021
- CY2021 impacted by rise in denials related to COVID (average of \$0.8M monthly higher which equates to ~0.3%)
- Implemented initiatives at the beginning of CY2021 will continue to drive FPDR downward

DENIAL TREND - CURRENT VS. INDUSTRY BEST PRACTICE

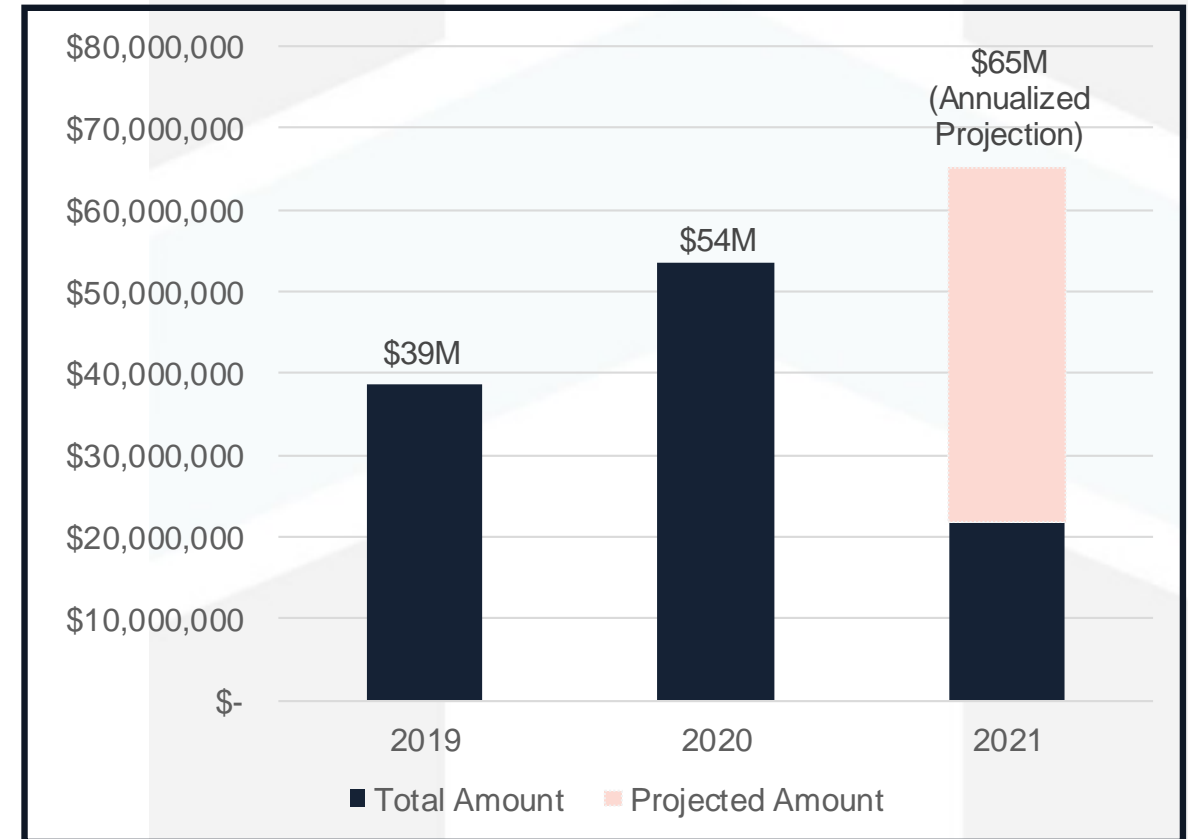
THE TEAM RECOMMENDS MOVING TOWARD INDUSTRY BEST PRACTICE DENIAL MAPPING



Summary

- HealthRise performed comprehensive review of Broward Health's denial mapping and identified numerous CARC codes that **should not be mapped to denials**¹
- HealthRise confirmed that these identified populations are not mapped to denials at other hospital systems and **Broward Health is not aligned with industry standards**
- As shown in the chart, these non-denial populations have **increased year over year**. A major contributor to this increase has been pre-payment audits from a large commercial payer (requests for medical records or itemized bills)
- While HealthRise will continue to track all CARC codes, the recommendation is to **exclude these populations within future FPDR calculations**

CARC Codes to be Excluded

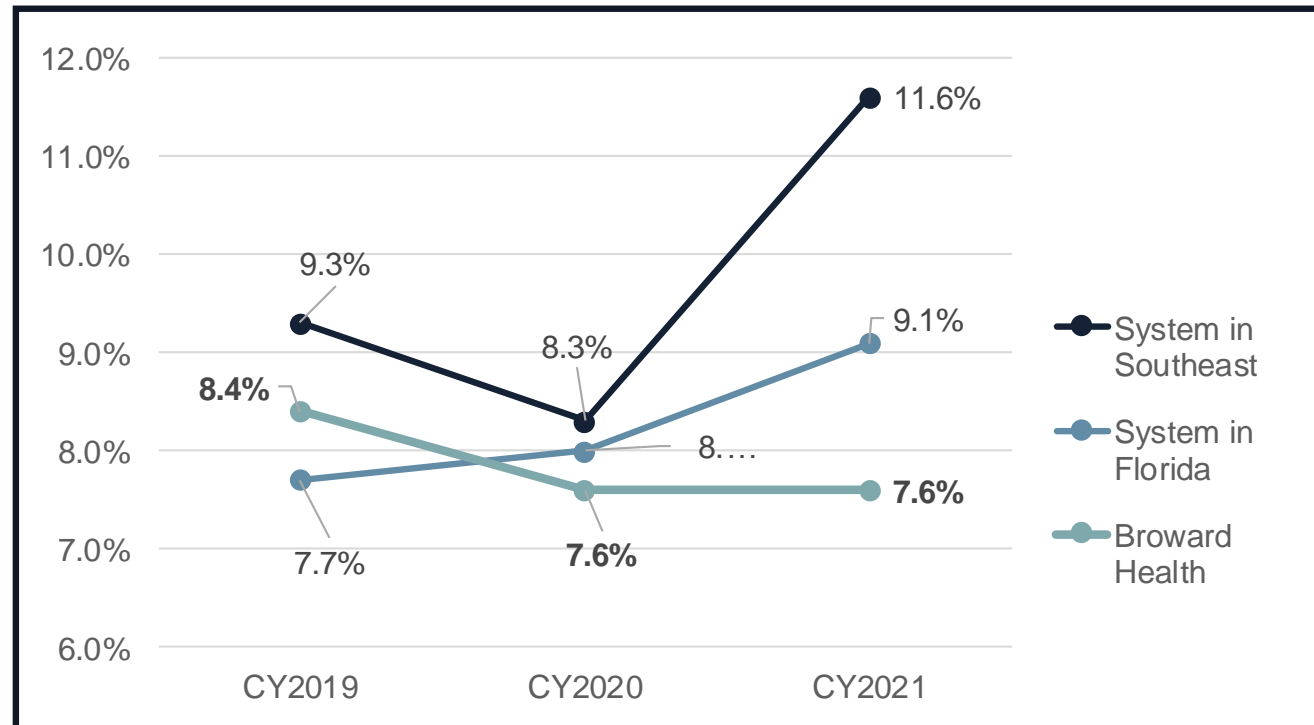


BROWARD HEALTH FPDR & INDUSTRY COMPARISON

BROWARD HEALTH COMPARES FAVORABLY TO OTHER SYSTEMS WHOSE DENIALS INCREASED IN CY2021



Broward Health vs. Industry Comparison



Additional Detail

- Comparable hospital systems experienced **surges in FPDR metrics in from CY 2020 to CY2021** where Broward Health remained steady
- Broward Health's overall rates are **well below** similar facilities and demonstrate the success of the denials prevention program
- Broward Health first pass denials demonstrated a **decrease from CY2019 to CY2021**. The reduction was achieved despite a very challenging year in which a remote work environment was implemented, staffing shortages occurred, and payers provided untimely policy notification regarding changes in billing and coding related to COVID.

*"An internal analysis found that the average hospital claim denial rate **increased at a more rapid pace during the height of COVID-19**, hitting a new record of **nearly 11 percent** of claims denied upon initial submission in 2020."*

Revenue Cycle Intelligence (February 2021)

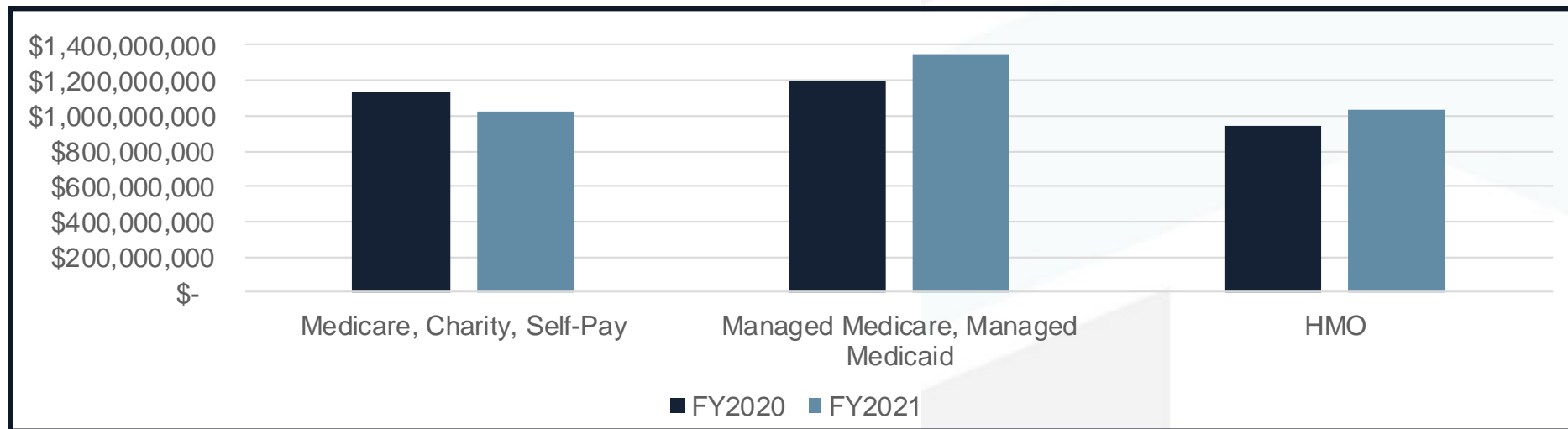
2020 AND 2021 DENIAL IMPACTS

DENIALS IN FY2021 WERE IMPACTED BY COVID-19 AND SHIFTING PAYER MIX



- **Payer mix shifts** (gross charges) from FY2020 to FY2021 (July 2020 through April 2021 in each year) were as follows:
 - Traditional Medicare, Charity, and Self-pay **decreased by \$110M**
 - Managed Medicare, Managed Medicaid **increased \$147M** | HMO **increased \$86M**
 - Denials often increase as **Managed Care and HMO payer volumes increase** due to payer policies/guidelines. However, the denials prevention initiatives implemented at Broward Health **mitigated** the impact.

Payer Mix Shift in FY2021



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- **COVID-19** impact **increased denials by \$5.9M** from April 2020 through March 2021
 - Payers inconsistent application of procedure and diagnoses created by CDC
 - Resources impacted by adjustment to remote work environment

BROWARD HEALTH SUCCESSES AND CHALLENGES

ACCOMPLISHMENTS IN THE PAST 2 YEARS WILL CONTINUE TO DRIVE SUSTAINABLE IMPROVEMENT



SUCCESSSES



- Installed **comprehensive denials prevention structure** focused on root cause analysis, trend identification, and process improvements to prevent future denials.
- Hired, trained, and developed **Centralized Denials Management** team consisting of eight clinical and technical denials specialists. Designed and implemented specialized denials worklists to drive efficient appeal workflow.
- Overhauled tool which outputs denials data and created data workflow to ensure **accurate reporting of data and metrics**.
- Formed **centralized, systemwide Patient Access units** to ensure highest dollar claims undergo a higher level of scrutiny before being financially cleared (also implemented reviews of highest dollar accounts prior to being billed which saved \$10.9M in April 21).

OPPORTUNITIES



- **Payer requirements** are more burdensome and unclear than before, leading to increased denials and continuous staff education.
- **Technology** across the organization does not have the capability to automatically alert the staff to issues with accounts.
- **High turnover and understaffing** during the pandemic resulted in staff errors leading to denials.

APPENDIX

CARC POPULATIONS TO EXCLUDE

EXCLUDING THESE POPULATIONS WILL BRING BROWARD HEALTH TO
INDUSTRY BEST PRACTICE



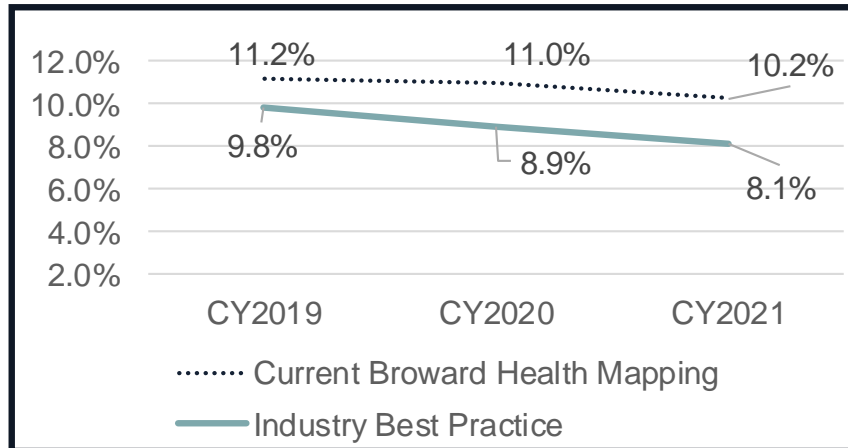
CARC	Description	Payer(s)	Denied \$ (FY21 Monthly Avg)	Impact
163	Documentation is required to adjudicate claim and payers will not allow with initial claim submission	Large Commercial Payer	\$4.7M	High
252		Commercial and Managed Medicaid Payers		
251		Managed Medicare and Managed Care Payers		
227		All		
198	Medicaid covers the stabilization time of non-citizen patients (remainder of stay not covered and denied)	Medicaid EMA		
B8	Payer retrospectively downgrades level of care; must be appealed with medical records to support level of care and length of stay	All	\$0.5M	Low
186		All		
249	Associated re-admissions within the first 30 days are not covered	All		
202	Comfort or convenience services are excluded from patient covered benefits	All		

CALENDAR YEAR TRENDS - FACILITY VIEW

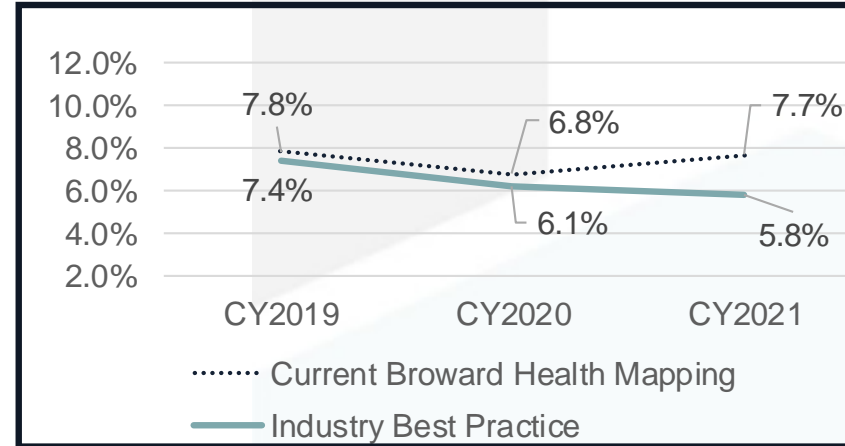
BHMC & BHIP FACILITIES IMPROVED FROM CY2020 TO CY2021



BHMC



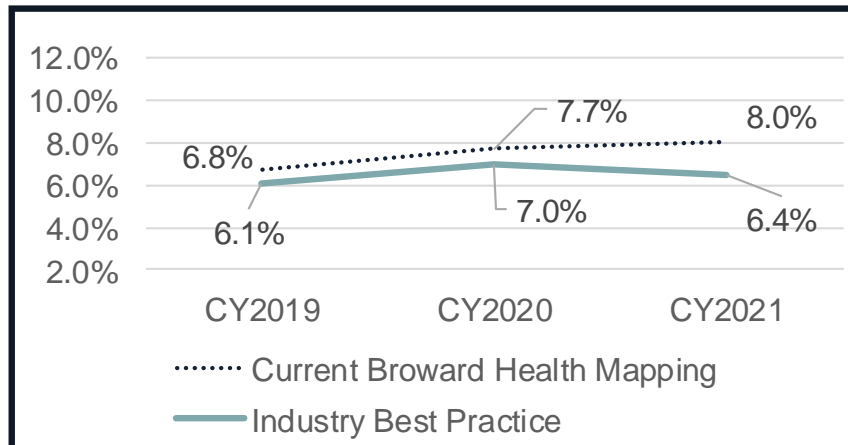
BHIP



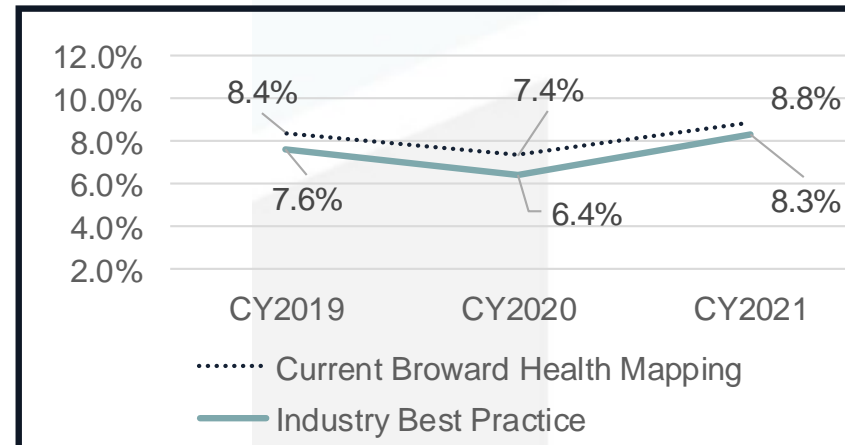
FPDR REDUCTION WINS

- BHMC reduced denials through CY2021
- BHIP shows steady improvement over last 2 years

BHCS



BHN



ENHANCED FOCUS AREAS

- BHCS improved from CY2020 to CY2021
- BHN had increases in Registration and Non-Covered in CY2021

QUOTES FROM AROUND THE ORGANIZATION

BROWARD HEALTH AND HEALTHRISE PARTNER WITH KEY STAKEHOLDERS FROM MANAGER TO CFO LEVELS



"Since onboarding with Broward Health in September of 2020, I have had the pleasure of developing a **strategic partnership** with the HealthRise team. HealthRise has assisted the organization in creating **better visibility** in our denial patterns, **identify opportunities** to improve our internal processes, identify areas of improvement in our physician education and engagement, and payor relationships, and help **standardize our processes** across the system through collaborative efforts with regional leadership in HIM, Revenue Management, Patient Access and Case Management.

Our collaborations will continue to lead to **better financial performance** in denials management."

Joshua Szostek (BHN CFO)

"We are grateful for our **partnership** with HealthRise. We appreciate the **collaborative efforts** with likeminded subject matter experts."

Walter Brown-Maxwell (BHMC Patient Access Manager)

"HealthRise has been **instrumental for improvement in denials metrics**. They provide reports that allow for our teams to drill down, trend, and focus in on our greatest opportunities. This allows us to not only understand, but to **make changes quickly** for a positive impact for the organization."

Laura Thomas (BHMC CFO)



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