

# 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**

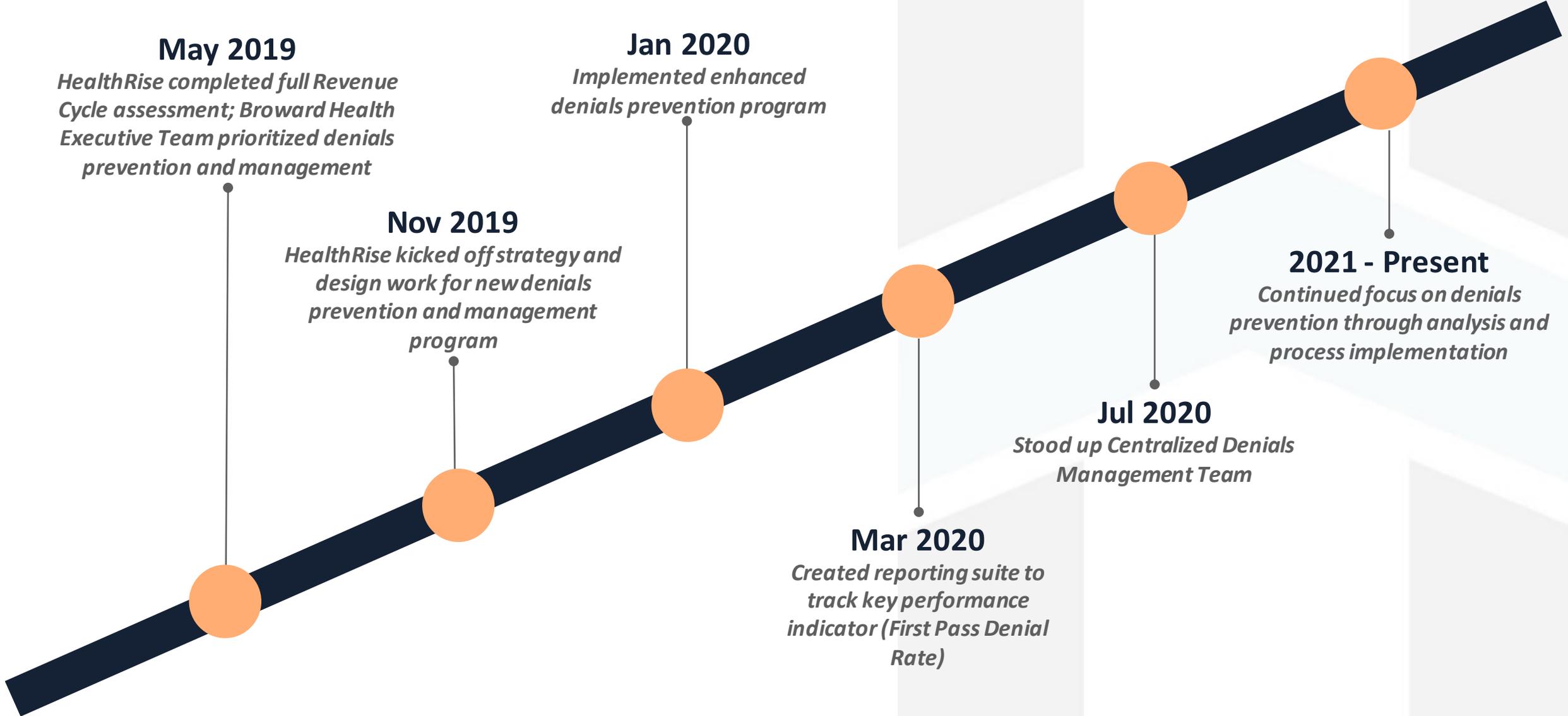


**Stephenie Tollett**

- 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



# 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 procedures<sup>1</sup>
  - 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)?

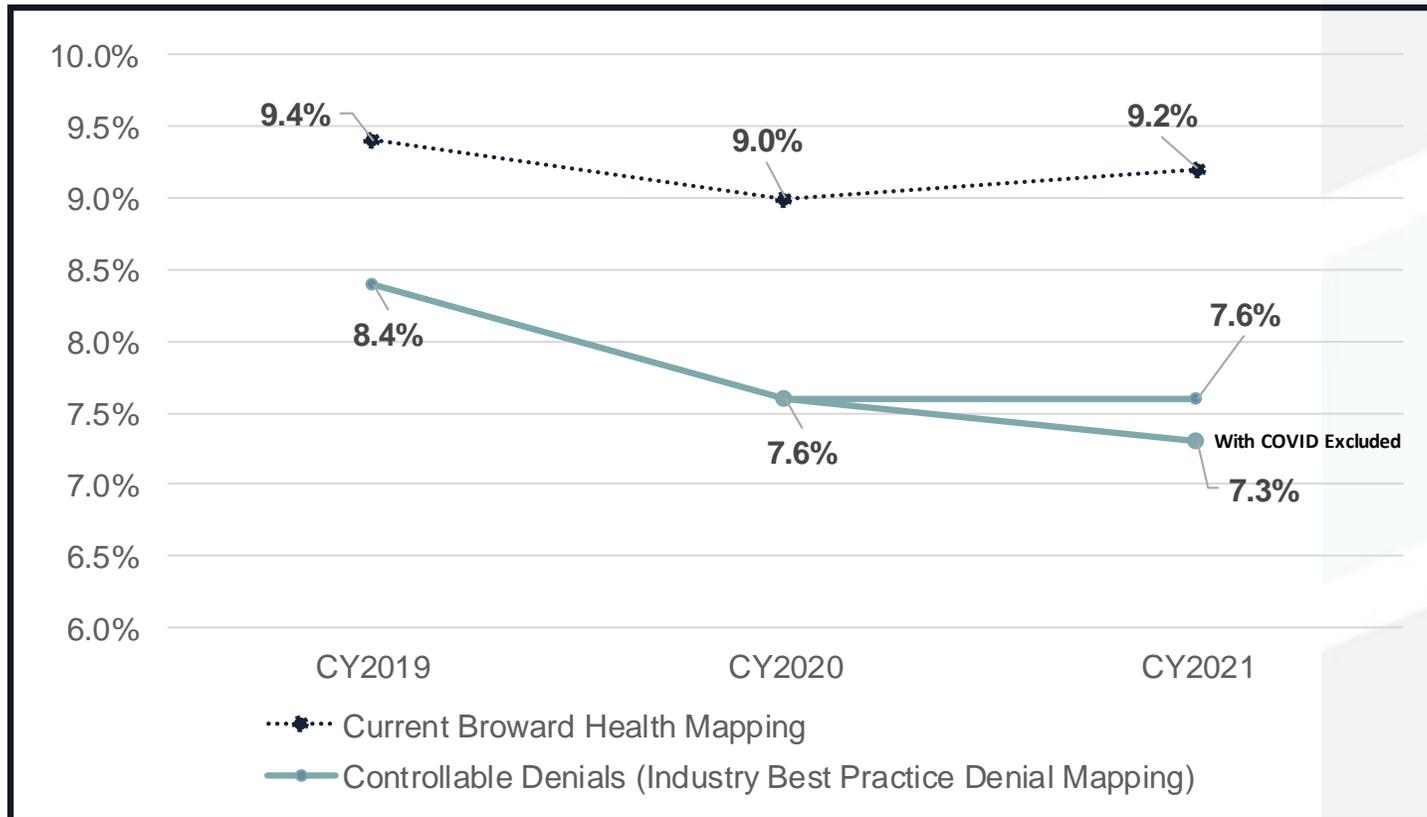
- The first pass denial rate is a quality indicator that compares the first denial received by the primary payer. This indicator does not include non-primary payer denials or subsequent denials and allows comparison across the industry.
- FPDR allows the organization to **track the true denial impact**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

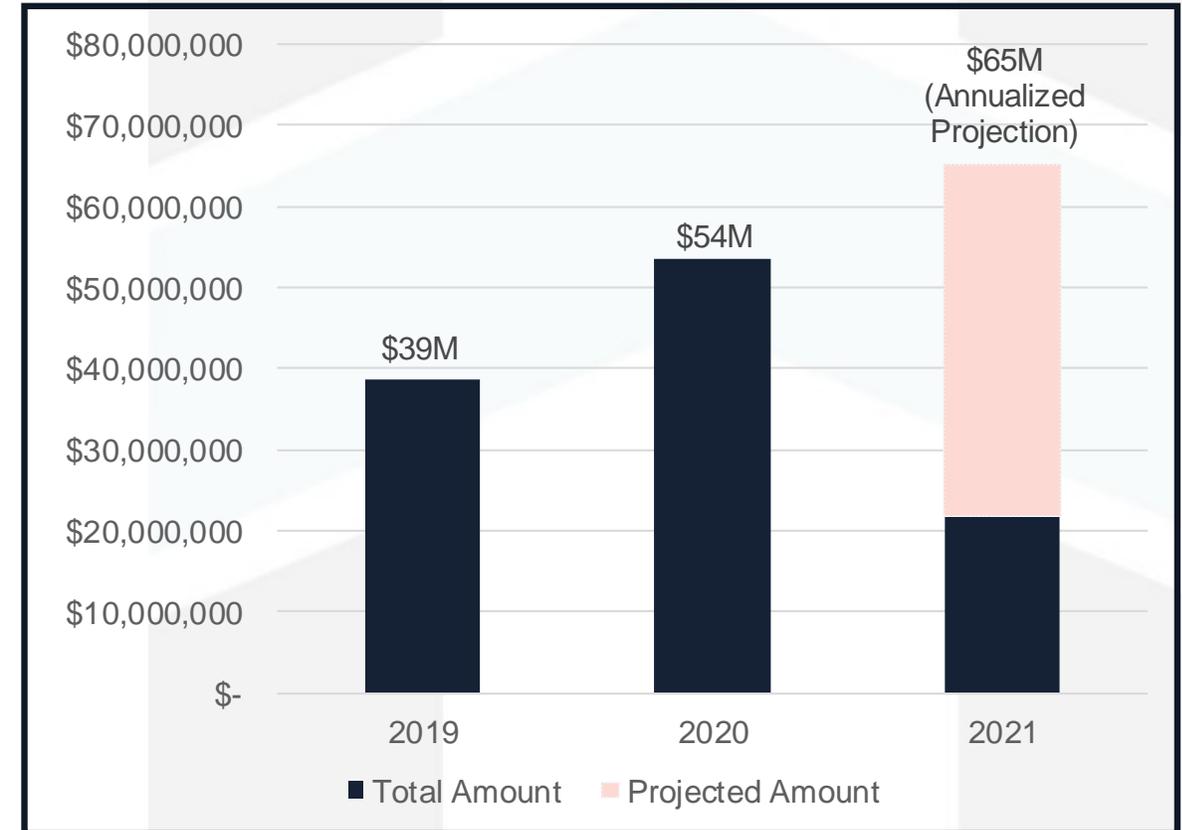
## THE TEAM RECOMMENDS MOVING TOWARD INDUSTRY BEST PRACTICE DENIAL MAPPING



### Summary

- HealthRise performed comprehensive review of Broward Health's denial mapping and identified numerous CARC codes that **should not be mapped to denials**<sup>1</sup>
- 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

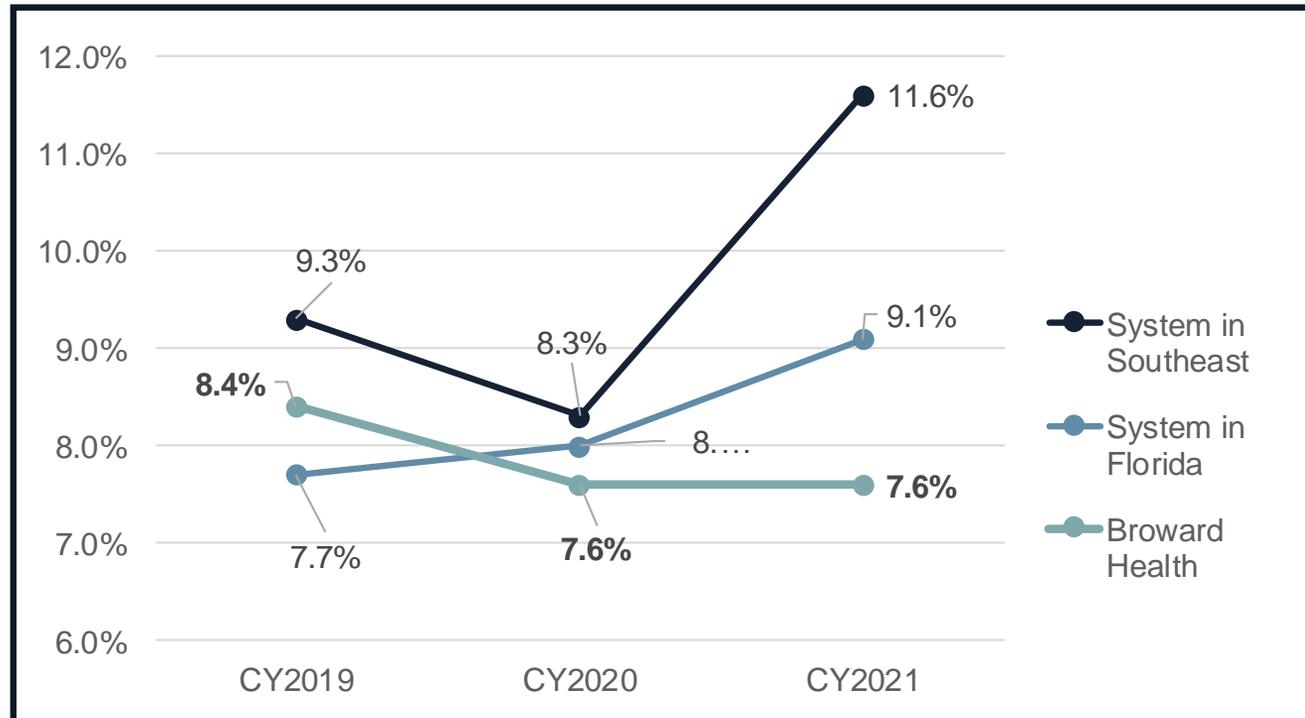


# BROWARD HEALTH FPDR & INDUSTRY COMPARISON

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)*

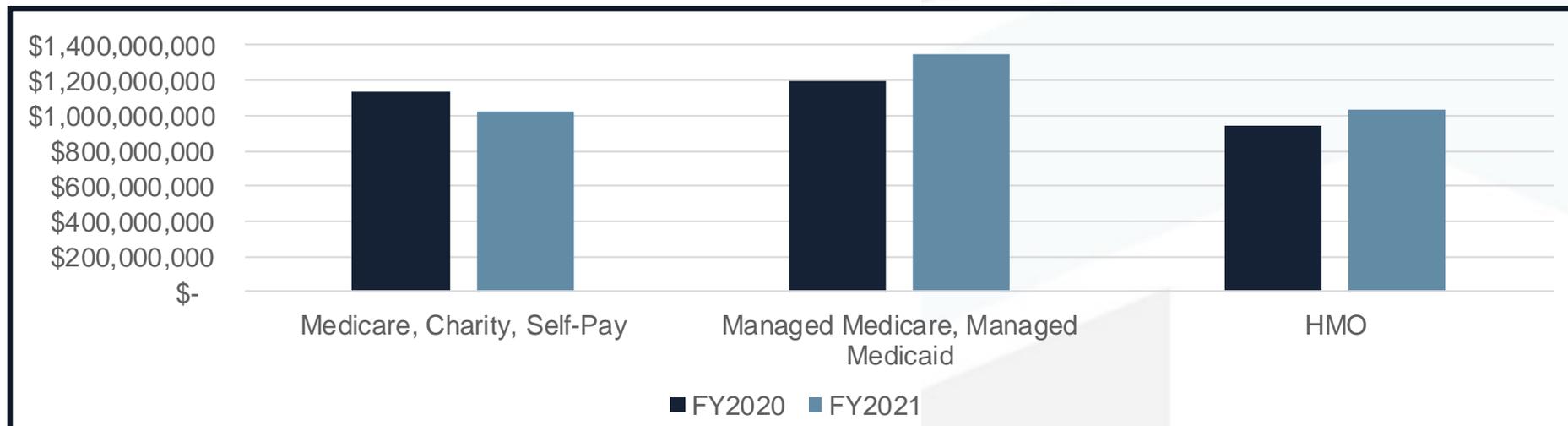
# 2020 AND 2021 DENIAL IMPACTS



## 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



- **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



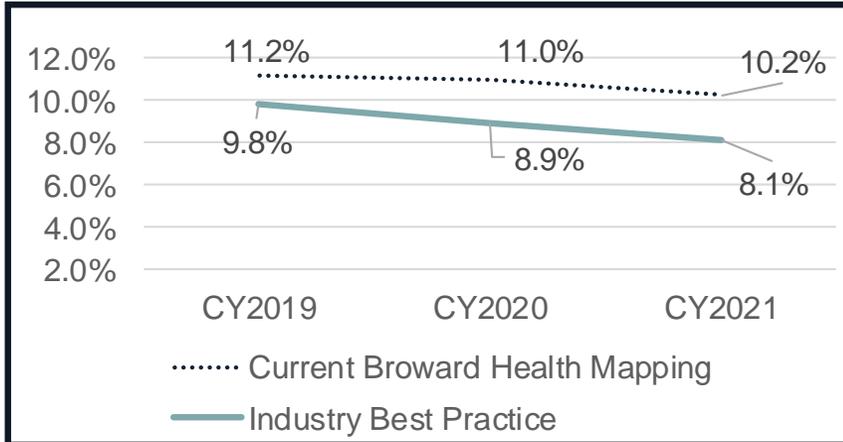
CARC	Description	Payer(s)	Denied \$ (FY21 Monthly Avg)	Impact
163	Documentation is required to adjudicate claim and payers will not allow with initial claim submission	Large Commercial Payer	<b>\$4.7M</b>	<b>High</b>
252		Commercial and Managed Medicaid Payers		
251		Managed Medicare and Managed Care 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	<b>\$0.5M</b>	<b>Low</b>
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

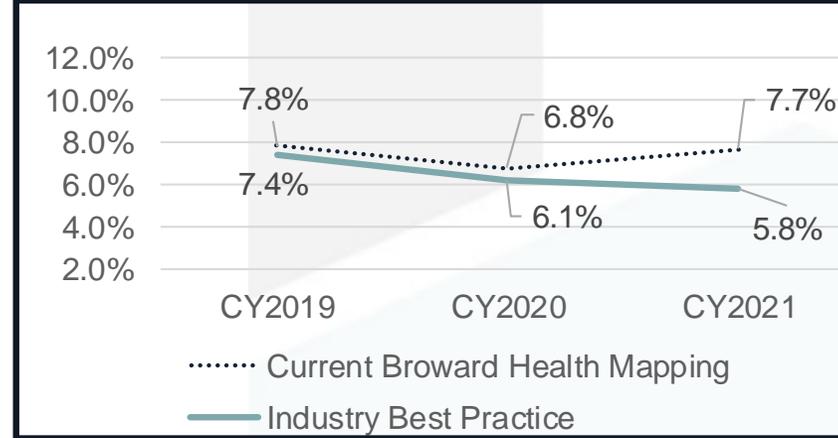
BHMC & BHIP FACILITIES IMPROVED FROM CY2020 TO CY2021



## BHMC



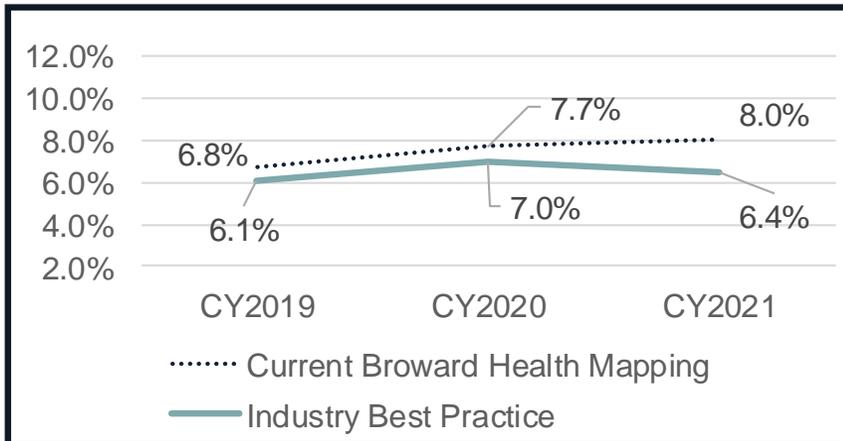
## BHIP



### 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)*



**HEALTHRISE.**