

How to Move from Denial Management to Prevention

journal.ahima.org/2017/12/01/how-to-move-from-denial-management-to-prevention/

Posted By [AHIMA Staff](#) on Dec 1, 2017

By Amy Richardson, RHIA, CHDA and Jane Bonewell, RHIT, CHDA

As the healthcare industry moves toward value-based payment, making the shift from denial management to denial prevention is essential. Provider organizations are now realizing the importance of a proactive approach that prevents initial denials at the beginning of the revenue cycle. While this makes perfect sense, eliminating the traditional reactive approach is a huge challenge—one that requires communication and collaboration among all departments involved.

Finding and understanding root causes is the key to prevention. Traditionally, health information management (HIM) professionals focused on managing its own coding denials. Today, HIM professionals need an understanding of the entire revenue cycle, working proactively with patient access on the front end and billing on the back end to resolve and prevent denials. How do we do this?



First, open lines of communication so everyone is working together—revenue cycle, HIM, clinical documentation improvement, patient access, utilization review, reporting, information technology. Create a multidisciplinary team backed by executive support. Assign an “owning area” for every denial reason. Each area has a bucket of denials. The objectives are inquiry, analysis, action, resolution, prevention—not finger-pointing. Ask key questions:

- What caused this denial?
- Who has responsibility?
- Why do we keep getting these types of denials?
- What process do we need to change?

Management means working the denial and getting paid. Prevention means eliminating the issue so it never occurs again. Resolve and prevent initial denials to reduce the volume of final denials. While managing will always be a part of the process, *how* you manage will be different—aimed at prevention.

Dashboards and Analytics

New technology features dashboards with key metrics to determine and track communication—who, how, and when—for managing denials and creating a process for prevention. Maintaining communication channels provides a means to continually review metrics, make necessary changes, stay on top of denials, and create action plans to identify and address root causes. Consider the following recommendations:

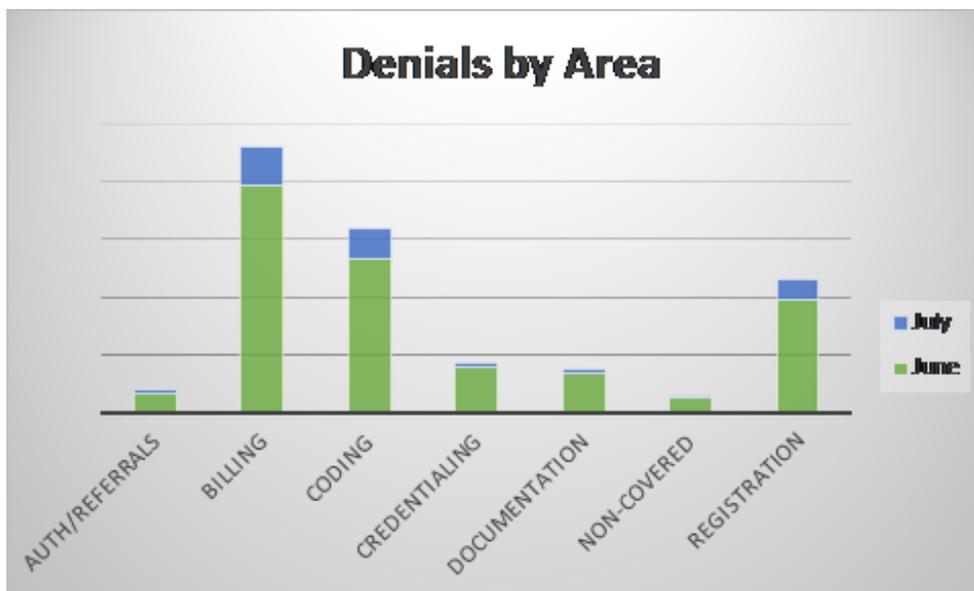
- Understand the data by analyzing it
- Validate data to be sure what you're reporting is correct
- Determine how to best display data, so it is easily understood
- Make sure data is mapped correctly
- Fine-tune and slice data to make it meaningful

Finding root causes requires much more than fixing errors on the back end. As your team reviews and validates data, determine what you can trust and how you'll communicate, set goals, and improve processes.

Education and Training

While organizations have made progress with EHR system training, the lack of education on key components of front-end responsibilities—scheduling, registration, preauthorization—is an underlying cause of recurring denials. Core education for front-end staff is critical and challenging.

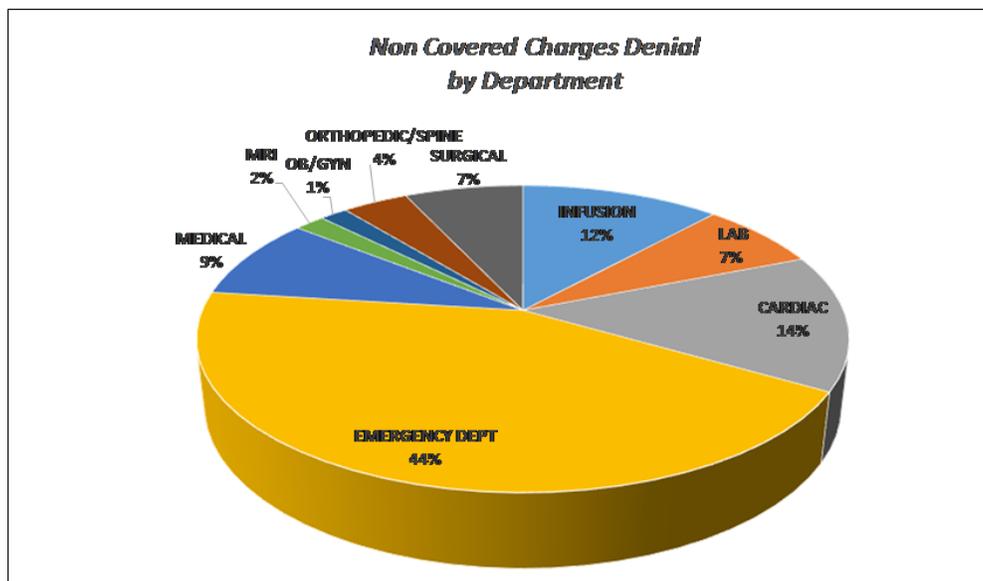
Retaining highly educated employees is difficult in such a high-turnover area. They're expected to know a vast amount of information and may not understand how their job impacts the flow of the entire revenue cycle. One



minor mistake on the front end, such as a wrong insurance address, can cause a denial that wreaks havoc on the back end. Consider every possible angle including educational opportunities and process improvement to stop the influx of new denials. For example, jump-

start efforts in patient financial services with a “rapid fire” strategy. Review daily denials first thing each day when employees begin their shift. Make simple corrections. This approach helps identify issues early.

Within each department, provide education at a level that is meaningful for each area. Speak their language, provide tip sheets, and conduct work sessions on how to identify root causes. Focus on report analysis. People want to be engaged but many lack the ability to interpret data. Walk through various scenarios, including a description of denials and the philosophy behind prevention. Use simple graphics that are easy to read and understand. For example, see the two graphics in this article, “Denials by Area” and “Non Covered Charges Denial by Department.”



To assume a leadership role and remain relevant, HIM professionals must be educated on every aspect of the revenue cycle—front end, midstream, and back end. Analytics skills are essential—understanding what data means, its impact in specific areas, how to use it for clinical and financial improvement. Communicate with appropriate people across departments. Set up metrics, monthly measures, and goals. Maximize use of dashboards and encourage proficiency among team members. Keep people engaged.

HIM Leadership

With any new initiative, strong leadership is critical to success. Moving from denial management to prevention requires knowledge of revenue cycle along with the ability to communicate, educate, and advance data governance. HIM professionals are ideally suited to embrace the challenges and take the lead. And, it's the perfect opportunity to use your data analytics skills if you're looking to move in that direction with your career.

Amy Richardson is vice president, consulting services and Jane Bonewell is senior consultant at Haugen Consulting Group.