



Appeals Workflow Redesign

Client Profile:

A community health system comprised of three rural hospitals (*225 licensed beds in total*) and approximately \$10 million in annual denials.

Challenge:

In preparation for the ICD-10 implementation date, our client identified they were in need of a clear process for the tracking, the management, and partial outsourcing of denied commercial and governmental insurance accounts. Knowing the move to the ICD-10 code set would require a higher level of sophistication in managing denials as well as their appeals process, our client requested assistance implementing a structure that would allow the active internal and external management of their appealed insurance accounts. Additionally, due to frequent communications breakdowns between their appeals staff, the organization's billing staff and relevant stakeholders at each of the hospitals, there was no longer a process in place to proactively prevent denials. Our client asked for a clearer process be implemented that involved the root cause analysis of their denials and a streamlined approach in working with each of their hospitals to implement solutions for the issues causing denied accounts.

Solution:

The project began with a thorough discovery process including detailed mapping of all existing workflows; from the process of identifying denied accounts in their health information system (HIS) to the manual and automated processes used to segment and outsource accounts to external appeals agencies. Included in the discovery process were end user interviews which provided detailed information on workflow issues not directly occurring in our client's systems. One such issue was an inability to identify or report on accounts at the point they entered the appeals process. Upon completion of the discovery process, we began by focusing our efforts on creating a simple method for the identification, review, and qualification in their HIS of each denied account. Their old process was to write off the balances of each account qualified for appeal. This resulted in the accounts becoming unidentifiable in our client's third party workflow system. The appeals staff would then have to maintain paper files on each account internally under appeal. We implemented a new process in their HIS which resulted in the accounts under appeal being able identifiable in their third party workflow system. We then created worklists for the accounts to populate in their workflow system utilizing detailed criteria to ensure each account being pursued internally, or having been outsourced to an external agency, was captured. Once the accounts under appeal were in their workflow system, we were able to begin generating reports that allowed baselines to be established and a decision tree created with criteria based upon actual data. This allowed for an analytics based approach in determining which accounts should be pursued internally versus outsourced to an external agency. Additional reports were created on the accounts with external agencies allowing the active management of the outsourced inventory by our client's appeals team. The last step was to ensure our client could proactively prevent future denials based on the information now accessible in these newly established reports. Reoccurring meetings were resurrected with standing agenda topics involving key stakeholders throughout our client's organization to facilitate a proactive approach to preventing their denials.



Results:

The project resulted in:

- Documented current state and future state workflows with identified training points
- Establishment of decision tree with criteria based on organizational data and trends
- Creation of detailed reporting for operational, management and organization leadership
- Standing stakeholder meetings with focus on key topics for the mitigation of future denials as well as process feedback
- Most importantly, a control process in place to allow for continued post project success

For more information, please contact Andrew Rossetti at Andrew.Rossetti@i3hcc.com