



Strategic Interventions: June

The *Strategic Interventions* newsletter is meant to provide your hospital's financial leaders with practical and effective ideas for improving your finances. They are meant to provide actions to take to improve your hospital's identified long-term financial aims and interests. They may come from industry experts in the form of simple reminders of the "tried and true," new ideas, or shared best practices from other hospitals – and are meant to provide you and your team with check points along the way the “journey to financial improvement.” This month, Sandy Sage will share some tips on denial management and how a cohesive team can make a successful program.

Strategic Interventions: It Takes a Village

Denial management. What does that mean to your hospital? Does it mean that when a denial occurs the business office staff need to take care of it? Does it mean that you are proactively trying to prevent denials on the front-end? Who is responsible?

Denial management should not be the responsibility of just one department. It truly takes everyone in the revenue cycle participating in denial management to be successful. Success means decreasing the number of denials that occur and improving processes that are causing denials.

The best practice strategy to “managing” your denials would include, but not limited to:

1. Using data to determine the denials with the highest dollars and the highest frequency. You can use the Claim Adjustment Reason Codes (CARC) to sort denials, but don't forget the denials that may never get billed because they are written off prior to billing (medical necessity, inpatient days etc.).
2. Create a team that includes Business Office, Case Management, Patient Access, Ancillary departments, and a clinical representative, at a minimum.
3. Work together so that each area that touches a claim has input into what processes can be improved. Different views will assist in seeing the processes in the revenue cycle from a new perspective. What one department thinks can be changed, may be non-negotiable to another area. Compromise and keep in mind that everything should be done to benefit the hospital and to decrease the denials.

4. Have your team meet often, weekly at first, so that everyone knows where you are in each process. Discuss options for improvement and bring in others for input as needed.
5. As you go forward, evaluate the actions the team has implemented to make sure that they are working. If they aren't, try again.

Teamwork will result in additional benefits beyond just decreasing your denials. Your team will develop a greater understanding of other hospital departments and processes. Working together, your team will also develop into a cohesive unit that will assist in other projects going forward.

Develop a team that has the abilities to break down some of those isolating silos within your organization. It really does take a village!

If you have questions or other items related to value-based care, please contact Sandy Sage at sandy.sage@hometownhealthonline.com. In addition, if you have best practices related to financial improvement, we invite you to share what has worked for your hospital!

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PURPOSE:
The Rural Hospital Learning Opportunities Program (RHLOP) exists to support Iowa's CAHs in activities that will improve their financial and operational outcomes.

