I Fought the Law and the Law Won!

Western Reserve AAHAM
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Working Smarter, Not Harder and
Changing the Culture of the Business Office

Lyman Sornberger: CEO & President,
Lyman Health Care Solutions, LLC, Director Business Development Charles
J. Hilton & Associates, P.C.
Charles Hilton Esq. –Toni Blue Esq.

Today's Presenter

Lyman Sornberger
President and CEO, Lyman Health Care Solutions (LHS), LLC.

Experience:

- Chief Healthcare Strategy Officer - Capio, The Patient Financial Wellness Company
- Executive Director, Revenue Cycle Management - Cleveland Clinic Health System
- Multiple leadership roles for physician revenue cycle management groups - University of Pittsburgh Medical Center (UPMC)
- U.S. Army Medic

Memberships & Accreditations

- HFMA
- AAHAM
- ACHE
- HIMSS

- Becker's
- Modern Healthcare
- ACA International
- ACA Asset Buyer Committee, Chairman

Agenda

- Denial Definitions and Categories
- Unpaid and Underpaid Challenges
- Factoids
- Denial Disruption in 2019 Solutions
- Insource or Outsource
- Q&A

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Industry Challenges

Root Cause

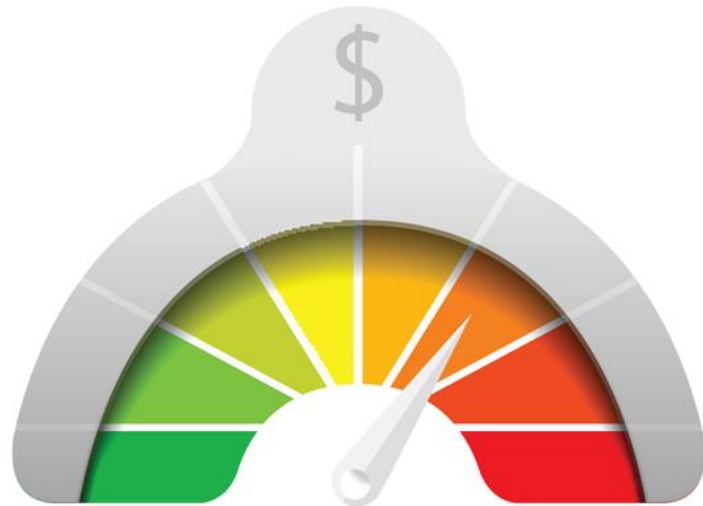Standard – As a percentage of Operations

- 25% Claims Utilization

- 21% Claims Coverage

- 17% Contractual

- 15% Coding

- 15% Duplicate

- 4% Cash Posting

- 3% Process Delays

*Reference Healthcare Financial Resources (HFRI)

Unpaid and Underpaid Challenges

Reimbursement

Cost

Patient/Employee Experience

POOR GOOD

Top 10 Denial Reasons – Hotel Ratings

1. Prior Authorization or Referral Required ⭐⭐⭐⭐⭐
2. Incorrect patient identification information ⭐⭐⭐⭐⭐
3. Claim is missing information ⭐⭐⭐
4. Services not covered/terminated ⭐⭐⭐⭐⭐
5. Claim not filed on time ⭐⭐⭐
6. Coding is not specific ⭐⭐⭐⭐
7. Coding challenges ⭐⭐⭐⭐
8. Unbundling or Up Coding ⭐⭐⭐⭐
9. Medical Necessity ⭐⭐⭐⭐
10. Duplicate billing ⭐⭐⭐⭐⭐

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Hotel Ratings Five Stars

Factoids

√ 1 out of 5 claims are denied or delayed

√ 30-40% of denials are registration errors

√ 7-11% of claims are underpaid

√ 3-5% loss of net revenue to providers

√ 2/3rd of denials are recoverable and 90% are preventable

√ 7-11% of claims or episodes of care are underpaid

√ Cost to collect a denied service is on average $17.00 for the provider and $18.00 for the payer-rework

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Factoids

Governance of denial management in healthcare is weak

Healthcare access, clinical's, and back office are often not integrated with denial resolution

Denials are perceived as an administrative issue when often tied to clinical's, provider contracting, training, and communication

Provider operating models are often adverse to using third party partners

Consumerism is the way of the future

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Propensity to Pay
Vs
Propensity to Collect

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Denial Disruption 2019 Solution: Operating Model

- Governance-communications, training, and tactical approach
- Denial Source – Prioritization and triage
- Denial Team – Trending, scorecards, and change management
- Partnerships

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Disruptions

1. Governance
   - Front, Middle, Back
   - Formal and Informal Education
   - Communications

2. Reporting – KISS
   - Top 5 Denial Codes
     - Paper
     - Department
     - Procedure
     - Provider
     - Dashboards
     - Corporate Management
     - Staff

3. Financial
   - Return on Investments 3:1
     - Cost
     - Effectiveness
     - Contracting
   - Insource or Outsource

Insource or Outsource –Staff Augmentation

Vendor or Partner – ROI

Example: Charles J. Hilton & Associates, P.C

1. Untimely Response from Payers

2. Underpaid from PPO' Payers

3. Accidents and Patient Compliance to Questionnaires/Subrogation Agreements

4. Motor Vehicle Accidents and Insurer

5. Employers Not Funding Claims with Self Funded ERISA Plans-4-6 Months for Re-Insurer to Pay the Plan

- Healthcare Exclusive
- Contingency Based
- "Not Low Hanging Fruit"
- Cash Acceleration
- No IT-Work Q
- Re-purpose Staff

The Math on Denial Disruption

- In 2016, 270 billion U.S. provider claims were denied
- Nine billion spent annually reworking denials
- Write-off's related to denials jumped 79% between 2001-2017
- 35% of payer rejections are never reworked and resubmitted

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Denial Disruption 2019 Solution: Prevention

- Governance, communication, and education
- Operating model and change management
- Technology and tactical analysis
- Partnerships

Questions?
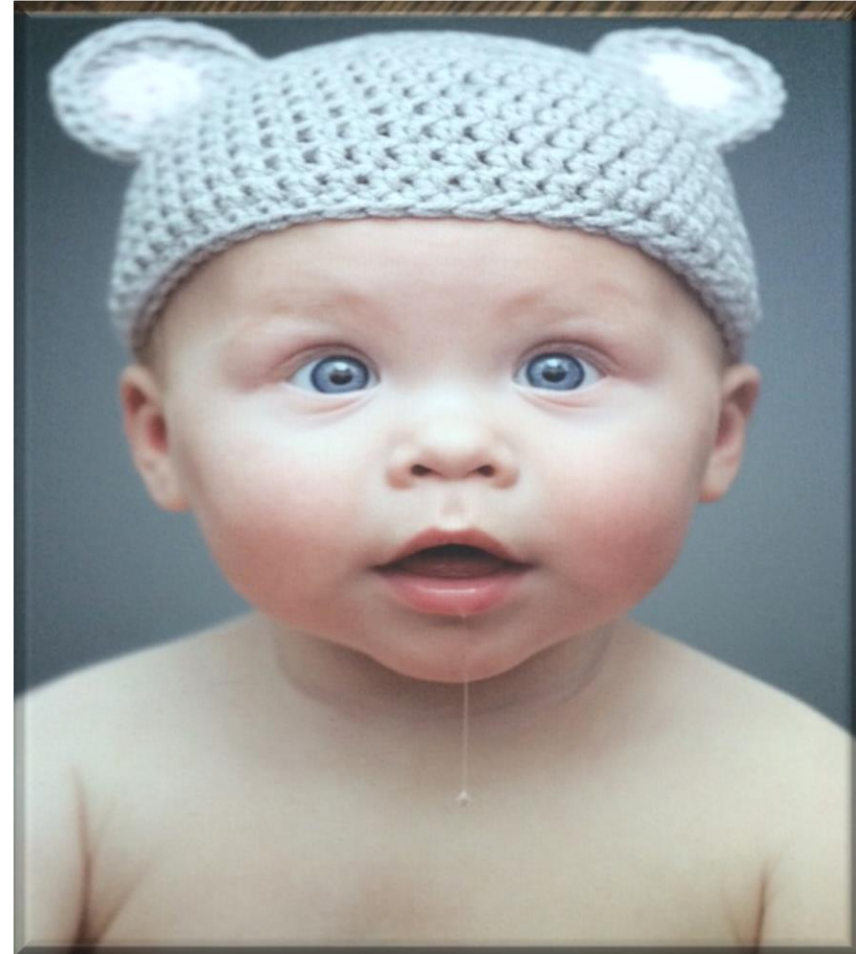
Thank you!

Presented by:

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