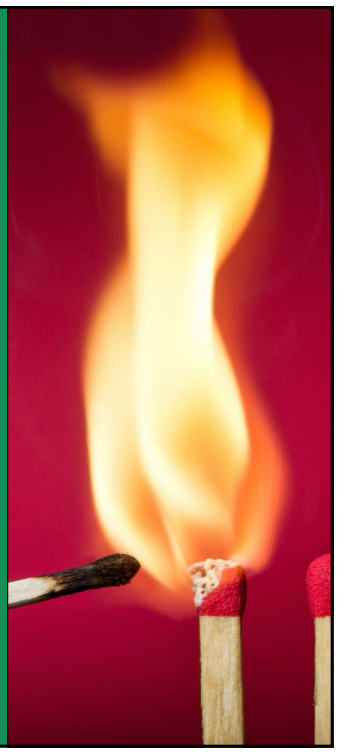
When Denials Spark a Financial Fire

Understanding Cost, Risk & Prevention in Managed Care Denials



Melanie Paulk
Director of Community & Home-Based Services
Managed Care Consultants of America

What We'll Cover Today



Raise Your Hand If...

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- Denials increased this year
- Staff spend hours on appeals
- Cash flow has been affected by denials
- You aren't sure how much revenue denials cost your agency



Why Denials Matter

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Revenue Loss
Direct impact on agency profitability.

Operational Burden
Increased workload and inefficiencies.

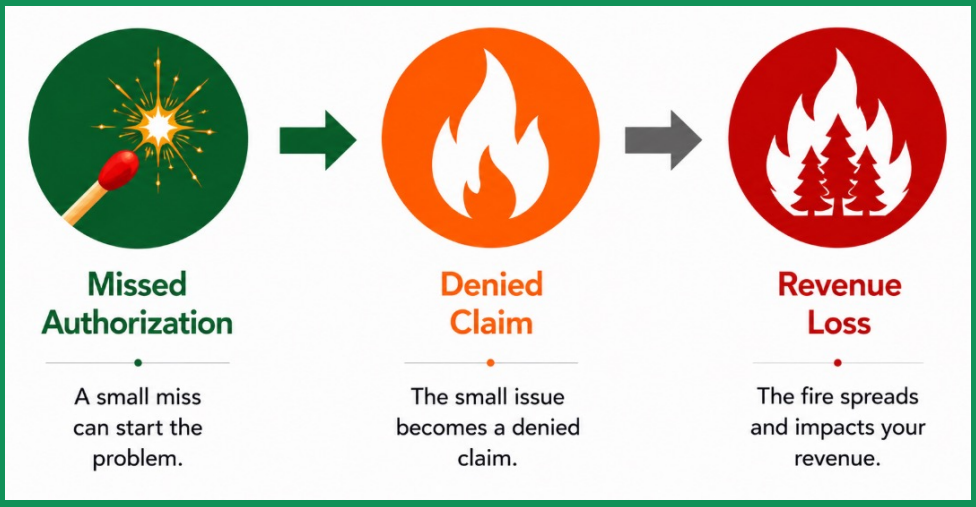
Cash Flow Delays
Slower payments impact cash flow and stability.

Staff Burnout
Frustration and fatigue lead to turnover.

Denials aren't billing problems. They're business problems.

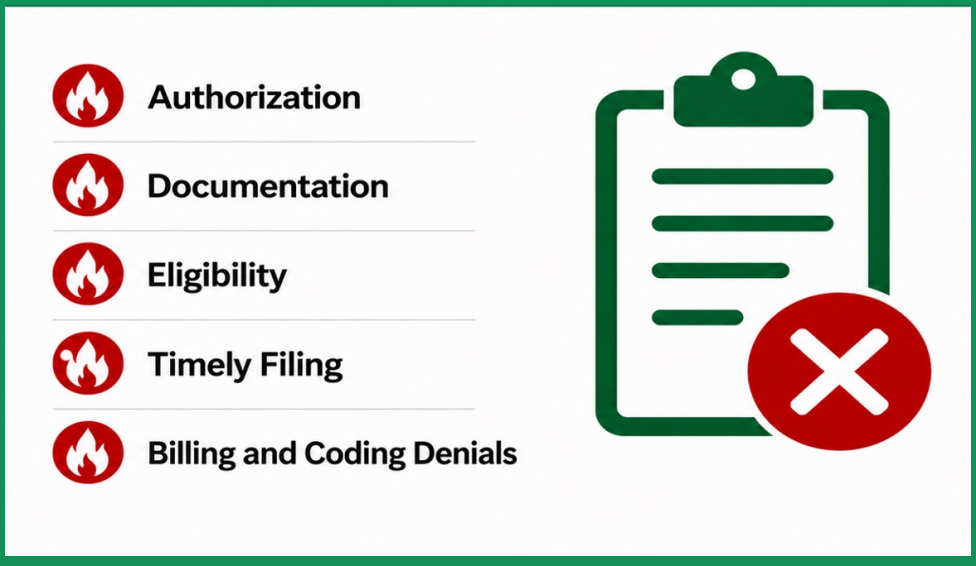
A Fire Never Starts as a Fire

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Top Home Health Denials

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Authorization Denials

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Most Common Causes

- Expired Authorization
- Wrong CPT/HCPCS
- Exceeded Visits
- Missing Notification



Case Study

- **Patient admitted for** Home Health Physical Therapy
- **Referral received and** Start of Care completed.
- Authorization approved for **12 PT visits.**
- Agency provided **16 PT visits** before identifying the authorization had expired.

Result:
4 visits denied
$520
lost revenue
(4 PT visits × $130 average reimbursement per visit)

Root Cause:
No authorization tracking process.
Visits continued after authorized visits were exhausted.

Lesson:
A simple authorization tracking workflow could have prevented the denial and protected revenue.

One authorization oversight can spark a financial fire.

Documentation Denials

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- Missing Signatures
- Face-to-Face Deficiencies
- OASIS Inconsistencies
- Lack of Skilled Need

Eligibility Denials

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Common Causes

- Coverage Terminated
- Plan Change
- Incorrect Member Information
- Premium Non-Payment



Verify every patient every time.

Timely Filing Denials

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Why They Hurt

- Can't always be appealed
- Service was provided
- Documentation exists
- Payment is still lost

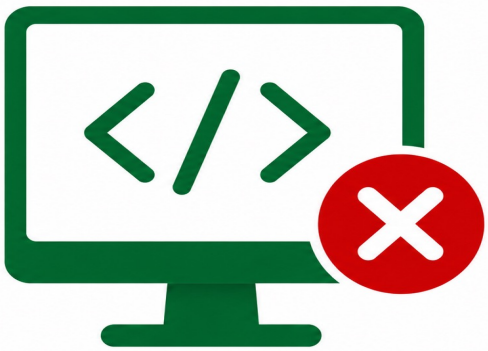


Deadlines matter. Missed deadlines cost revenue.

Billing & Coding Denials

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- Diagnosis Mismatch
- Incorrect Coding
- Claim Edits
- Modifier Errors



The $180,000 Problem

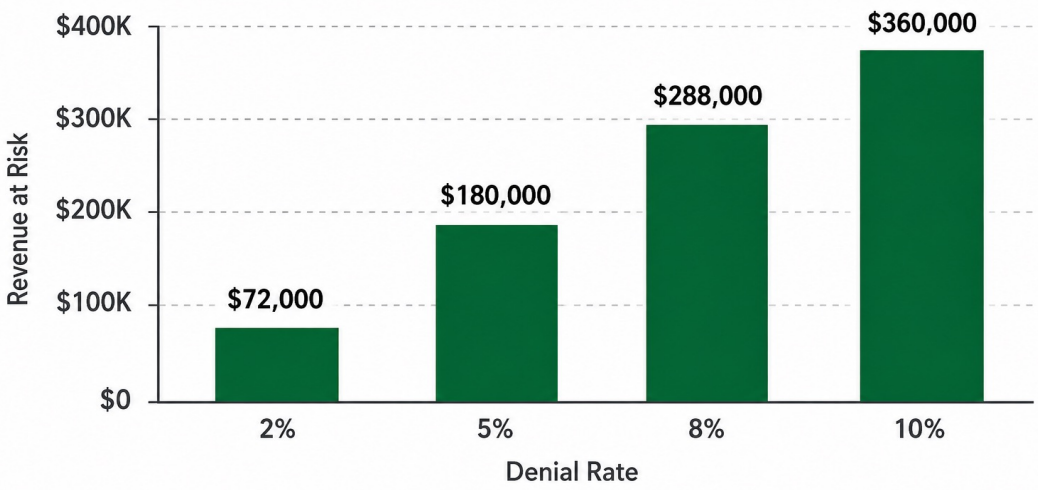
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- 100 MA Patients
- Average Revenue **$3,000**
- Annual Revenue **$3.6 Million**
- 5% Denial Rate
- Revenue at Risk **$180,000**

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Revenue at Risk from Denial Rates

(Based on $3.6 million annual revenue)



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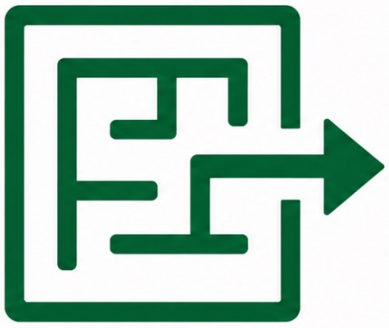
The Hidden Costs



Root Causes

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- Intake Errors
- Poor Eligibility Verification
- Documentation Gaps
- Workflow Breakdowns



Prevention Strategies

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- Verify Eligibility
- Verify Authorization
- Track Utilization
- Audit Documentation
- Educate Staff



Build a Culture of Denial Prevention

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- Educate Staff
- Cross-Train Departments
- Share Denial Trends
- Promote Collaboration



The best denial prevention tool is an *educated team.*

Use Your Payers as a Resource

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- Provider Portals
- Provider Manuals
- Quick Reference Guides
- Live Webinars
- Newsletters
- Provider Representatives



The answers you need are often already available—
you just have to know where to look.

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Contracting: Your First Line of Defense



- Authorization Requirements Clearly Defined
- Timely Filing Limits Documented
- Provider Education & Billing Resources
- Correct Payer IDs & Billing Instructions

The strongest denial prevention strategy starts before the first patient is ever seen.

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Your Denial Dashboard

Denial Rate	Appeal Success Rate	Revenue at Risk	Top Denial Reasons	AR Impact
% of claims denied	% of denials overturned	Dollars tied to denials	• Authorization • Documentation • Eligibility • Billing/Coding	Days in AR due to denials
Goal: Under 5%	**Goal:** Above 70%	**Track:** Monthly Trend		**Measure:** Cash Flow Delays

You can't improve what you don't measure. Monitor denials monthly.

Things To Do Tomorrow

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1. Audit Denials
2. Improve Authorization Tracking
3. Educate Staff
4. Use Payer Resources
5. Build a Dashboard
6. Create a Culture of Denial Prevention



Small changes today *prevent* tomorrow's financial fires.

Final Takeaway

The best denial...is the one that never happens.



Questions?

**We strive to provide education on best practices…
As always, please follow your Management's direction.**

Thank You!

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Do you have any questions?

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Resources & Tools to Reduce Denials

Regulatory & Compliance Resources

- **CMS Home Health Center**
  https://www.cms.gov/medicare/payment/prospective-payment-systems/home-health
- **Medicare Benefit Policy Manual – Chapter 7 (Home Health Services)**
  https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/bp102c07.pdf
- **OASIS User Manuals & Guidance**
  https://www.cms.gov/medicare/quality/home-health/oasis

Managed Care & Operations Resources

- **Home Care Association of Florida (HCAF)**
  https://www.homecarefla.org
- **National Alliance for Care at Home**
  (formerly NAHC)
  https://www.allianceforcareathome.org
- **AHCC Home Care & Hospice Conference Resources**
  https://ahhcnconlinefoundation.org