

When Denials Spark a Financial Fire

Understanding Cost, Risk & Prevention in
Managed Care Denials

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What We'll Cover Today

Managed Care Consultants
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Raise Your Hand If...

-  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



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



Missed Authorization

A small miss can start the problem.



Denied Claim

The small issue becomes a denied claim.



Revenue Loss

The fire spreads and impacts your revenue.

Top Home Health Denials



Authorization



Documentation



Eligibility



Timely Filing



Billing and Coding Denials





Authorization Denials

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

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



Eligibility Denials

Common Causes

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



Verify every patient every time.



Timely Filing Denials

Why They Hurt

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



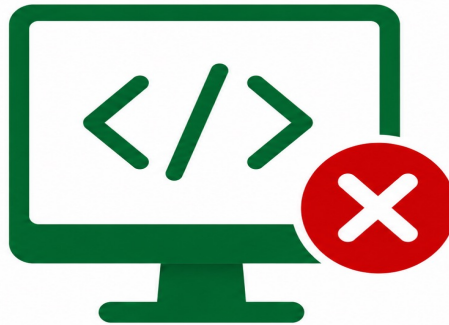
Deadlines matter. Missed deadlines cost revenue.



Billing & Coding Denials

Common Causes

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

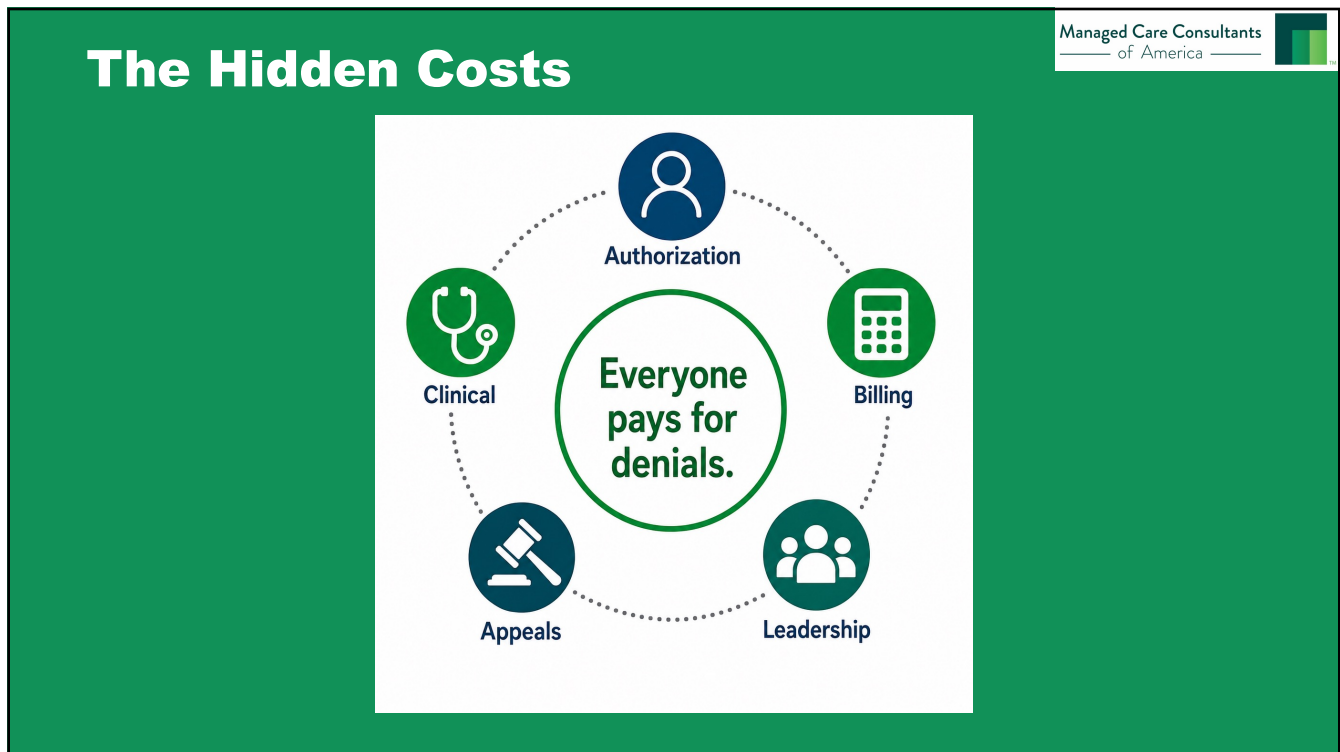
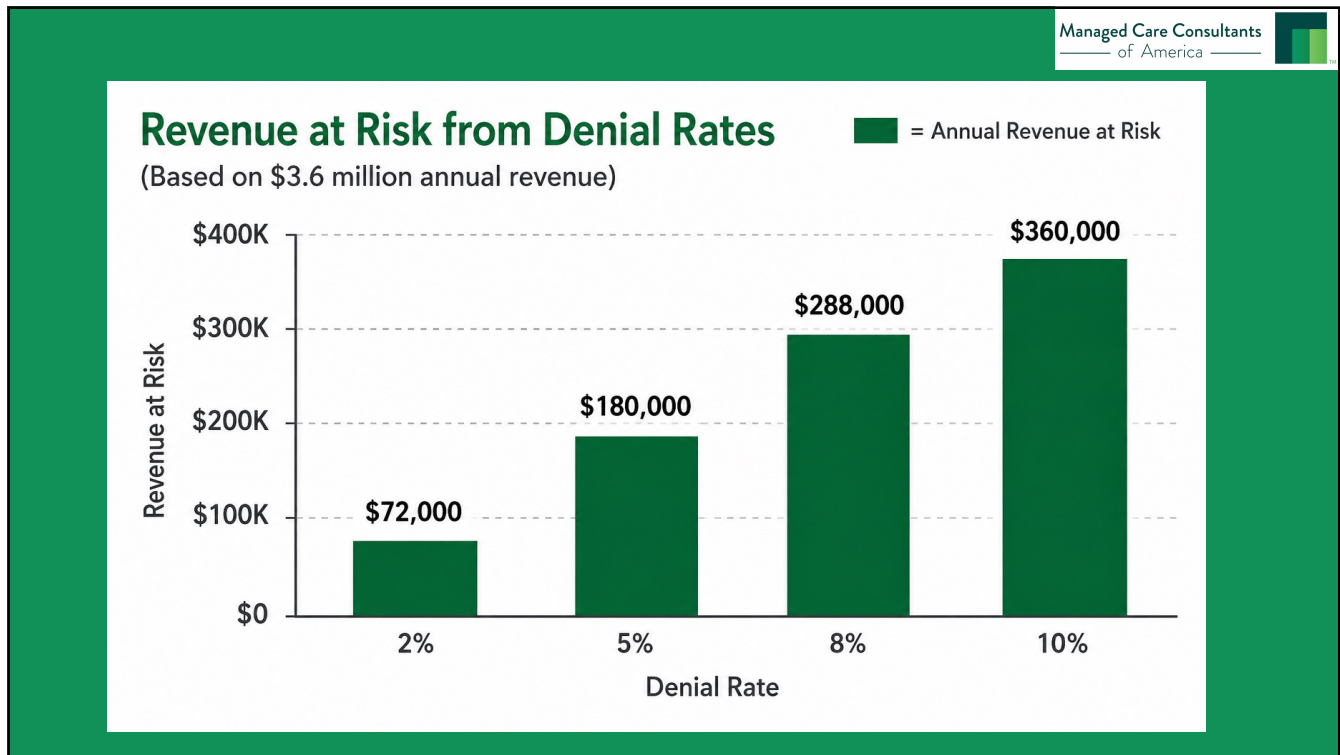


The \$180,000 Problem



Happy Home Health Agency

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





Root Causes



Intake Errors



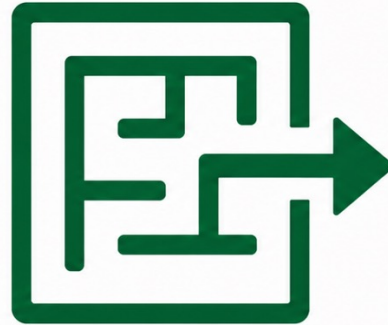
Poor Eligibility Verification



Documentation Gaps



Workflow Breakdowns



Prevention Strategies



Verify Eligibility



Verify Authorization



Track Utilization



Audit Documentation



Educate Staff







Five Things To Do Tomorrow

- 1 Audit Denials
- 2 Improve Authorization Tracking
- 3 Educate Staff
- 4 Build Dashboards
- 5 Strengthen Payer Relationships



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!  information@mccofamerica.com
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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://ahhcnonlinefoundation.org>