

Denials Management Analytics Reduces Denials by Nearly \$5M



\$4.5M reduction in denials in just 12 months, the result of an eight percent relative reduction in overall denial dollars.

PRODUCTS

- ▶ Health Catalyst® Data Operating System (DOS™)



Using the Health Catalyst® Data Operating System (DOS™) platform, we are able to provide analytics, data, and reports that are accurate and actionable. For the first time, we have a high degree of confidence about the accuracy of our data and analysis.

Bethany McDermott-Tipton
Manager, Patient Financial Services

EXECUTIVE SUMMARY

On average, claim denials cost each healthcare provider \$5 million every year. This loss of revenue resulting from claim denials is a concern for healthcare providers. Billings Clinic sought to determine the cause of claim denials and realized that it needed an analytics solution that could integrate data from multiple sources. The health system leveraged its data platform and analytics applications to pinpoint the sources of the denials, allowing the organization to implement prevention plans and procedures for recovering the denials.

CLAIM DENIALS AND REVENUE LOSS

Claim denials continue to cause sizeable revenue losses for healthcare providers across the U.S. Out of the \$3 trillion in total claims submitted by healthcare organizations annually, approximately \$262 billion are denied, translating to an average of nearly \$5 million in denials per provider per year.¹

DETERMINING THE ROOT CAUSES OF CLAIM DENIALS

Billings Clinic had previously attempted to engage with vendors to implement the products required for effective management of the healthcare revenue cycle but had not found success. Out-of-the-box solutions were not customizable, could not integrate payer and EMR data, and did not provide the critical data required for recovery efforts. As a result, Billings Clinic was unable to deliver timely, accurate analyses related to denials and recoveries.

Despite spending thousands of hours on burdensome manual reports, poor data quality and lacking analytics left the organization unable to identify the root causes of denials. Not knowing the sources of the denials limited the effectiveness of claims management and collection efforts, resulting in millions in lost revenue.

Billings Clinic needed an analytics solution that could support the integration of data from multiple sources, which would provide the organization insight into denials performance and actionable, accurate recovery data.

DATA AND ANALYTICS DRIVE HEALTHCARE REVENUE CYCLE IMPROVEMENTS

Billings Clinic partnered with Health Catalyst, leveraging the Health Catalyst® Data Operating System (DOS™) platform and a robust suite of analytics applications to implement a revenue cycle analytics application. The organization also utilized Health Catalyst Financial Advisory Services to fully understand the complete healthcare revenue cycle, developing strategies and operational plans to accelerate performance.

Leveraging DOS, Billings Clinic implemented a revenue cycle analytics application. The organization is able to easily identify trends and variances, can improve the efficiency and effectiveness of reporting, and, for the first time, can deliver reliable information to stakeholders to help ensure the organization is appropriately compensated for the value it delivers.

Billings Clinic can visualize financial and operational performance and is able to drill down to the payer, provider, clinic or practice, and CPT level. For the first time, the organization is able to integrate data from its EMR with data from payers, and can accurately determine the root causes of denials, enabling the organization to implement prevention strategies and to identify and implement denial recovery activities.

The organization is able to provide detailed data, and on-demand reports, to the various stakeholders that impact denials. Coding and registration departments have the ability to run on-demand reports, generating new insights that teams can use to improve their work and positively impact denials. Improving the revenue cycle is no longer dependent solely upon the employees working in revenue cycle. Billings Clinic is able to provide the detailed data and analytics to effectively engage clinical and operational partners in understanding and improving the root causes of denials.

The organization now has the data required to establish and monitor key performance indicators, giving senior leaders the necessary data for making strategic decisions to improve operational and financial performance.



ABOUT BILLINGS CLINIC

Billings Clinic is a physician-led, integrated, multi-specialty group practice. As Montana's largest healthcare organization, Billings Clinic is a leader in the provision of high-quality clinical care, patient safety, customer service, and value.



Health Catalyst assisted us in identifying the appropriate metrics and benchmarks to meaningfully examine our performance relative to our peers and the industry. We've leveraged data and analytics to successfully decrease our denials by nearly \$5 million.

Clayton Fosjord
Director, Patient Financial Services

RESULTS

Billings Clinic's new insights and data-driven improvement efforts are yielding the desired results. In just 12 months, the organization realized a:

- **\$4.5M reduction in denials**, the result of an eight percent relative reduction in denial dollars.
- **\$235K cost savings**, the result of internalizing the resources required for small-dollar denials management, and a 42 percent relative reduction in the number of Passport authorization denials, decreasing the work burden associated with denials.



Billings Clinic can now give its providers and senior leadership timely, accurate, and actionable reports with a high degree of confidence and efficiency. The organization has eliminated its report backlog and is able to fulfill both simple and complex ad-hoc report requests in a matter of minutes rather than hours or days. Billings Clinic's comprehensive work to enable access to transparent, trusted, and actionable information resulted in its being awarded the [2020 Health Innovation Award from Microsoft](#).

WHAT'S NEXT

Billings Clinic plans to use its real-time, actionable analytics to empower the organization to further optimize its healthcare revenue cycle and financial outcomes. 🚀

REFERENCES

1. Reiner, G. (2018). Success in proactive denials management and prevention. *Healthcare Financial Management Association*. Retrieved from <https://www.hfma.org/topics/hfm/2018/september/61778.html>

ABOUT HEALTH CATALYST

Health Catalyst is a leading provider of data and analytics technology and services to healthcare organizations, committed to being the catalyst for massive, measurable, data-informed healthcare improvement. Our customers leverage our cloud-based data platform—powered by data from more than 100 million patient records, and encompassing trillions of facts—as well as our analytics software and professional services expertise to make data-informed decisions and realize measurable clinical, financial, and operational improvements. We envision a future in which all healthcare decisions are data informed.

Learn more at www.healthcatalyst.com, and follow us on **Twitter**, **LinkedIn**, and **Facebook**.