



Promising Practice

Track and Analyze Denials

Problem

Claims get denied.

Solution

Track and analyze denials to identify reasons and correct for them in order to maximize reimbursement.

Featured Stories

Harbel Prevention And Recovery Center in Baltimore, Maryland reduced the number of entries requiring correction before a claim could be submitted by more than 85% after using data to identify the source of the problem. The billing manager had been correcting errors but tracking the specific type of error or its origin. As a result, billing staff spent a lot of time correcting errors. Harbel's first step was to list each error that needed correction, and then track its source. After one week of tracking, Harbel had identified when and where the errors were occurring. The agency then developed a plan for correcting those errors through staff training. More specific written procedures to help weekend/evening staff prevent billing errors were developed as part of the training process.

Quest Recovery & Prevention Services in Canton, Ohio increased revenue by \$18,900.00. They designed a tracking spreadsheet with denials and reasons, and reviewed them weekly. They improved the intake process to identify third-party clients earlier in the process, which allowed them to complete pre-certifications and match assessment and potential treatment with a properly licensed clinician. They also placed one person in charge of the third-party billing process. Customers were asked to pay 100% up front when they had insurance and were informed that they would be reimbursed. This project allows them to check insurance benefits first and explain to the customer how their benefits will apply.

Lessons Learned

- Set up a process to track denials, analyze reasons and eliminate them.
- Start by focusing on the most common reason for denial.
- Track denials by staff member to identify people who may need further training, especially weekend and evening staff.
- Train! Train! Train!
- Hire employees with backgrounds and experience in finance, health care and insurance.

Tracking Measures

Cycle Measure

Data Collection Form

Denial rate = Total Number of Denied Claims/Total Number of Claims Submitted None

\$ of revenue from third-party payers

[Revenue by Payer Worksheet](#)

Action Steps

--

Related Information

- [The NIATx Third-Party Billing Guide, Second Edition](#)

More Stories

Solutions Behavioral Healthcare in Medina, Ohio reduced the denial rate from 6.5% to 1.7%. They analyzed reasons for claims denial and found that 10 out of the 39 rejections in their baseline analysis resulted from the client being scheduled in non-independently licensed staff. As a result, they scheduled clients with third-party insurance with independently licensed clinicians.

Liberty Center Connections, Inc. in Wooster, Ohio decreased the claim error rate from 33% to 16% and increased insurance reimbursements from 10% of total charges to 17%. They worked with the insurance clearing house on why they had claims errors, how to fix the errors, and how to resubmit the corrected claim. They have dedicated personnel specifically to work on insurance. An understanding of contract stipulations allowed them to follow more efficient procedures to obtain the authorizations in advance and ensure that they met requirements. They created a list of insurance providers and the credentials for which they will reimburse for services provided. They also created a checklist with information needed to collect from insurance companies when calling to verify coverage.

Related Promising Practices

- [Get Pre-authorization](#)
- [Dedicate a Staff Member to Each Payer](#)
- [Assign Appropriate Clinician](#)
- [Increase Collections from Insurance Companies](#)