



# Case Study

## **Unappealable Denials:** How to Review & Determine the Most Difficult Cases



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# Client Challenges



Our client, a large, four-hospital system was facing a difficult problem:

## **THE CLIENT EXPERIENCED A SIGNIFICANT RISE IN WHAT THEY DEEMED UNAPPEALABLE PAYER DENIALS.**

As a result, they continued to face the following challenges:

- **An imbalanced their revenue cycle denial budget**
- **Difficulty managing increased write-offs**
- **Trouble determining whether accounts were truly unappealable**

This issue is particularly problematic as payers continually deny rightful payment when cases are not appealed, and the payer decision is not challenged. This directly impacts hospital revenue and is important in renewing the contractual relationship with the payer.

## Our Solution

**Our team of clinical appeals specialists, analysts and educators worked together to develop a system-wide solution for the client.**

### **Objective**

Our team took a second approach to review all aspects of the clinical information within the medical records to determine if all appeal points were targeted to determine the probability of overturning a non-appealable claim. **1**

### **Workflow**

Our appeals team was given access to targeted accounts that were deemed unappealable. The client was informed of our approach to working through the appeal process.



# Our Solution

## Review

The unappealable accounts were assigned to our team of experienced clinical appeal nurses to review from the beginning. **Our team analyzed the denial reason from the payer and performed a deep dive review into the medical record to determine:**

- if the payer denial reason was valid
- if the medical record supported that the client billing submitted to the payer was appropriate and met medical necessity
- if documentation supported the legitimacy of the hospital stay and appropriate billing

## Highlighted Case

This case example was determined to be not medically necessary by the payer and not appealable by the provider. **This case was an inpatient stay with a billed amount due of \$40,591.00.**

Through review, Our clinical appeal nurse developed a precise appeal letter that demonstrated that the inpatient stay was indeed medically necessary and appropriate. The nurse systematically explained the adequate physician documentation to support the severity of illness and intensity of service for the inpatient level of care, and that **the payer, in their denial response, utilized incorrect nationally recognized criteria in determining their denial.**

The clinical appeal nurse utilized documentation from the physician in the medical record to support physician judgment for the medical necessity of the inpatient stay. The clinical appeal nurse also incorporated statutory obligations and medical literature to provide a strong appeal letter to the payer. **With the help of Managed Resources' brilliant team of clinical appeals nurses, this case was successfully overturned.**



# Client Results

## Unappealable Cases

14%



## BEFORE

The hospital system deemed an average of **14% of their cases unappealable**, impacting revenue through many unnecessary and unchallenged denials

## AFTER

Within one fiscal year of working with our team of clinical appeals nurses, the hospital system has seen **unappealable rates reach an all-time low of 5%.**

## Unappealable Cases

5%



## THE CLIENT SAW REDUCED UNNAPEALABLE RATES AND INCREASED REVENUE WITHIN THE FIRST FISCAL YEAR ALONE:

With this partnership, Managed Resources was able to decrease the volume of unappealable cases for the client and **recover lost revenue equating \$4 million in the first fiscal year of working together.**

**Currently, Managed Resources meets with our client quarterly to discuss the status of all received appeals, and to provide ongoing education to our clients.**

Learn more about our revenue cycle solutions at [managedresourcesinc.com](https://www.managedresourcesinc.com)