



Case Study

Outsourcing “Unappealable Denials”
Recovers \$4M for Large U.S. Health
System in First Fiscal Year





Client Challenge

Our client is a large U.S. health system with multiple hospitals. Over time, they began to face a significant rise in what they deemed as “unappealable payer denials”. As a result, they experienced: **lost revenue, an imbalanced revenue cycle budget, difficulty managing increased write-offs, and trouble determining whether accounts should be reappealed.**

Our Approach

Our team of clinical appeals specialists, analysts and educators worked together to develop a system-wide solution to **address their mounting denials and recover lost revenue.**

Objective: Our Appeals Team created a custom approach to review all aspects of clinical information within the medical records. Reviews were conducted to evaluate the probability of overturning an “unappealable denial”, and to determine if all appeal points were targeted.

Workflow & Review: Our Appeals Team was given access to targeted accounts that were deemed “unappealable” by our client. Our team analyzed denial reason from payer, and performed a detailed review of medical records to determine: denial validity, if medical record supported client billing and medical necessity criteria, and if documentation supported hospital stay and billing.

Results

After working through our client’s “unappealable denials”, Managed Resources recovered \$4M of revenue in the first fiscal year.

Revenue Recovered from Overturns → **\$4M**

Unappealable Denial Rate within 1st year → **5%**

Appeals Team: Our clinical appeals team of Registered Nurses (RNs) and compliance specialists are employed onshore, and have an average of 20+ years of experience. Their credentials include: RN, NP, IMG, CCS, CDI, LNCC, C-DAM, CCM, CCS-P, CCDS, CDIP, CPC, RHIA, RHIT, CRCR, PMP and more.



Results (Cont'd)

In addition to recovering \$4M of revenue in the first Fiscal Year, Managed Resources provided ongoing education to help our client prevent future denials. Our partnership helped our client lower its **unappealable denial rate from 14% to 5%** - an all-time low for their institution.

14%
Denial Rate



Before

5%
Denial Rate
+\$4M



After

Highlighted Case

An inpatient stay with a **billed amount due of \$40,591.00** was denied by the payer, determined to be “not medically necessary”, and categorized as an “unappealable denial” by our client.

Our clinical appeals team examined the case, and quickly determined there was adequate physician documentation to support the severity of illness and intensity of service. Our KLAS Rated Clinical Appeals Team crafted a robust appeal letter, and cited that **the payer used incorrect (nationally recognized) criteria in determining their denial.**

Our professional appeal letter writers utilized all available resources including: documentation from the physician (supporting physician's judgement for medical necessity of inpatient stay), statutory obligations, and current medical literature.

*5% denial rate was an all time record for our client.

Conclusion

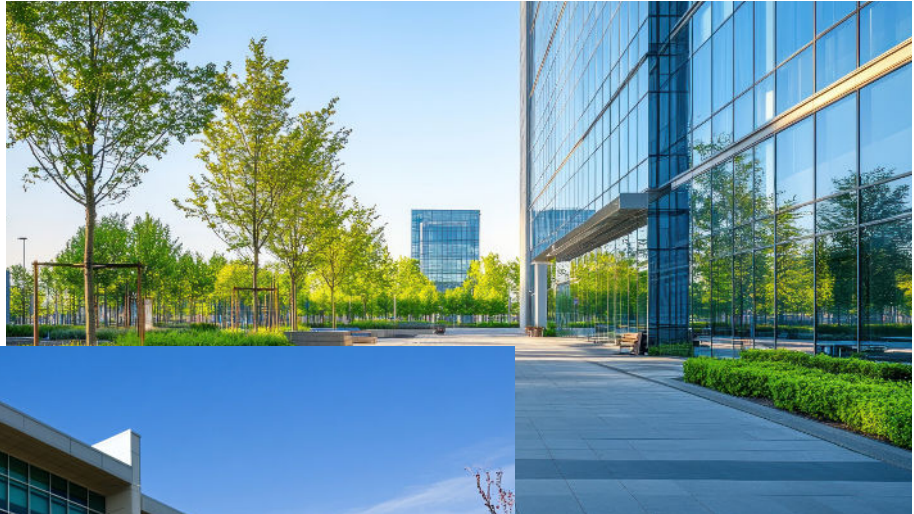
By partnering with Managed Resources to address mounting “unappealable payer denials”, our client decreased the volume of their denials, recovered \$4M of revenue in the first fiscal year, and saw its denial rate drop from 14% to 5% - an all time low for their institution.

Managed Resources' KLAS Rated Clinical Appeals Team continued to meet with client quarterly to discuss the status of all received appeals, and provide ongoing education to prevent future denials. Our Denials Management partnership continues to strengthen operations, improve efficiency, and increase revenue.

A+ Rating from KLAS. Quality of Staff.



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