



Case Study

Extended LOS Denial with
Social Factors Overturned for
\$84K Reimbursement



Extended LOS with Social Factors

Social factors can pose significant challenges for hospitals seeking reimbursement for extended inpatient stays. While necessary, non-medical social factors can be frequently undervalued by payers, leading to denials that disregard the full context of patient care.

The complexity of appealing denials with social factors is significant, requiring a meticulous blend of clinical evidence, coding accuracy, and payer-specific policies. A client delivered a complex extended LOS denial to Managed Resources' KLAS-rated Denials Management team to review and appeal.

Challenge

Our client treated a patient for **26 days** who was admitted to MS LOC for treatment of Cellulitis, possible Osteomyelitis, and substance abuse disorder. The patient received medical management and was noted as **uncooperative, verbally abusive, and aggressive behavior**. The payer approved initial 14 days of stay, but denied last 12 days at M/S level of care for lack of medical necessity.

The patient did not meet criteria for Sub Acute Rehab Placement per PT consultation on **Day 9**. The patient endorsed homeless status, and Social Services documented that he did not qualify for nursing home placement or assisted living. The patient refused shelter placement as well as referrals for substance abuse services.

The patient **continued to exhibit aggressive behavior and refused additional imaging** for treatment progression evaluation. Social Services reiterated to the patient he did not qualify for long term care or assisted living; however, the **patient demanded the hospital find placement**.

On Day 23, antibiotics were discontinued due to imaging results, and the patient was notified of his discharge and provided with a discharge notice on Day 24, **however the patient refused to leave**. He refused to speak with Social Services except for one employee, who was not available. Once the specific Social Worker returned to work, and spoke with the patient regarding shelter placement, he was discharged to the shelter.



12 Days

Length of hospital stay that was denied by payer



\$84K

Revenue lost after payer denied client's claim

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.



Solution

As part of Managed Resources' industry-leading clinical appeals process, the denial was reviewed and assigned to a specialized RN to begin the appeal process.

Appeal Information

The appeal contained a summary of the admission on approved dates of service with medical necessity with appropriate treatment of Cellulitis and discharge planning challenges for the denied dates of service. Also included was Physician judgment, nationally recognized criteria (MCG: Cellulitis), federal and state statutory obligations regarding discharge (42 CFR 482.43: condition of participation, NYCRR Title 10 Vol C 405.9 (h) (1) & (h) (3) (v)-(h) Discharge), state and payer definitions of medical necessity (New York Consolidated Laws, Public Health Law: PBH § 365, New York State Medicaid Medical Necessity criteria) and medical literature with focus on safe discharge (provision and transitional care, coordination of care, causes of delay, inadequate involvement of patient/family, and safe discharge disposition).



Over 25 years of payer and provider experience has taught me one thing - **reimbursement is a skill game.**

Jozette Cook-White
Sr. Director of Revenue Cycle Operations



Results

After a comprehensive appeals process, **Managed Resources successfully overturned the entire stay for over \$84,000.**

Our KLAS-rated Denials Management team was able to demonstrate appropriate medically necessary services rendered, as well as a challenging discharge unrelated to the facility's due diligence.

\$84K Denial Overturned

The payer overturned the additional 12-day hospital stay, and our client was reimbursed for \$84,000.

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