

## Internal Medicine Coding Alert

### Spearhead Your Denial Management Efforts With A 'Top 10' Rejections List

**Sharing Top 10 information in physician-staff meetings can help eliminate the cause of your denials**

If you're not a watchdog for your practice's reasons for denial, you run the risk of overlooking big denial trends that equal big-time revenue loss.

Effective denial management is one of the biggest keys to controlling your A/R, says **Terri Fischer, CPC, CMC**, manager with LarsonAllen Health Care Group in St. Louis, Mo. And reasons for denial can change like the weather.

**Take control:** Many billing experts recommend that you focus your denial management process by keeping a running list of your "Top 10" denial reasons. This list can serve as your guide to systematically address and fix the causes for denials in your office.

Use these seven expert tips to compile the information you need for your Top 10 list:

**1. Update your list every month.** Denial management is an ongoing process, so the Top 10 denials one month may not be the same next month, says **Mike Edmonds**, owner and executive director of Physicians Financial & Management Services LLC in Cordova, Tenn.

**2. Focus on total and partial denials.** Denials are not just claims that come back completely unpaid. You should also pay close attention to the reasons why some claims come back partially paid, or underpaid, says Edmonds, who gave a presentation on denial management and plugging revenue leaks at the American Medical Billing Association's annual conference.

**3. Put EOBs on a pedestal.** Everyone in the billing office can speculate as to why a claim was denied, but only the EOB provides the carrier's ultimate reason. Make sure the billers reading your EOBs do more than enter charges, Edmonds says. They need to analyze your EOBs to accurately understand the reasons for denial and partial payment.

**4. Call about unpaid claims at 45 days past due.** Run a report every month listing all claims 45 days old that have had no activity in the last 30 days. Run the report based on balance size, from largest to smallest, and then have your billing staff set to work calling each payer to inquire about the claims, Edmonds says.

**5. Run reports as backup.** Reading your EOBs and calling to follow up on unpaid claims should reveal most of the reasons behind your denials. But there's always going to be one or two big problems that you won't find with just EOBs and calls, Edmonds warns.

To make sure you're not missing anything, Edmonds recommends that you run several monthly reports, such as:

1. Payer mix report to show the volume of revenue from each payer
2. Procedure analysis report to show charges, payments and what's still owed on the top procedures you bill
3. A/R aging summary to see what claims are past due from which payers.

These A/R reports will help you get familiar with your normal data ranges and quickly identify unusual financial trends

that may be caused by a denial problem, Edmonds says.

Note: Look for more information in the next issue on the best reports to run and how to use them effectively.

**6. Look for trends and patterns.** Whether you're analyzing EOBs, calling about unpaid claims, or reading monthly reports, you want to look for unusual trends or patterns in denials. If a type of denial (from a specific payer, on a certain procedure, from a given provider, etc.) begins to form a pattern, "then it's a problem," Edmonds says. If you search your monthly data for denial patterns, you'll often catch problems that would have gone undetected for a while.

**7. Track denials from various perspectives.** Tracking denials is a three-pronged approach, Fischer says. The staff that posts payments, the A/R follow-up staff and your electronic claims software should all track reasons for denials, she says. Even though EOBs offer the carrier's final reason for denial, other issues within these three areas of your office can contribute to that ultimate denial.

These three areas will give you different, although often overlapping, data on denials, Fischer says. You should not combine the data, but rather keep it separate so you can focus on different problems that may contribute to denials.

**Good idea:** "Tracking denials by provider is important as well because you can see the root cause of some errors," such as erroneous coding, Fischer says. So you may actually want to form more than one Top 10 list each month - perhaps an overall Top 10 list and then separate lists for different providers and different stages of the denial management process (payment posting, A/R follow-up, etc.).

**Bottom line:** Once you are effectively gathering the monthly data to shape your Top 10 denials list, you'll need to share the list with staff and providers and use the information to address and correct the causes for denial.