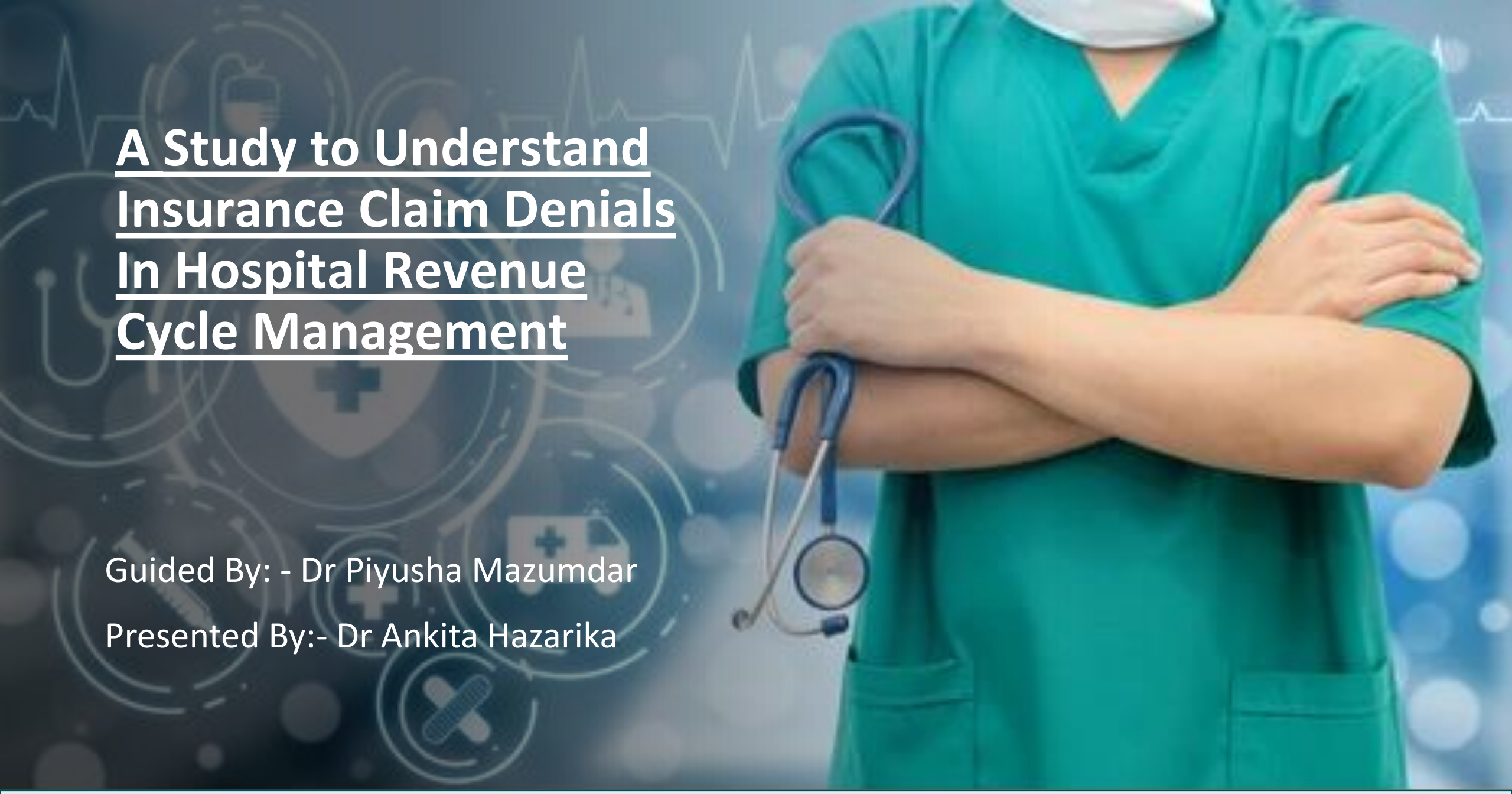


A Study to Understand Insurance Claim Denials In Hospital Revenue Cycle Management

Guided By: - Dr Piyusha Mazumdar

Presented By:- Dr Ankita Hazarika

AGENDA

- ***Introduction***
- ***Objectives***
- ***Literature Review***
- ***Objectives***
- ***Methodology***
- ***Analysis***
- ***Strategies***
- ***Recommendation***
- ***Summary***
- ***Gantt Chart***

INTRODUCTION

Insurance claim denials negatively impact hospital revenues and operational efficiency. This paper outlines the main reasons for claim rejections in healthcare, examining various factors that lead to denials. Instead of testing a hypothesis, this research provides a comprehensive analysis of issues hospitals face due to denied claims. Achieving these objectives will help healthcare institutions improve financial stability and patient service quality.

OBJECTIVE

- **To investigate & identify the reason for claim denials affecting hospital revenue cycle management**
- **To assess the level of Knowledge and Understanding among patients regarding their insurance policy terms and conditions and its impact on denial rates and find a significant relation between patient knowledge about policy T & C and Difficulty faced by them during application of claim.**
- **To propose strategies for improving revenue cycle management by addressing identified factors contributing to denial rates and enhancing patient education on insurance policies.**

Literature Review

Title	Method Used	Result
The Road Ahead and Challenges of Revenue Cycle Management in Saudi Governmental Hospitals (Alradhi, 2023 – Healthcare, Zainab Alradhi, Abdullah Alanazi)	In this study, healthcare leaders were interviewed face-to-face and via audio recording to collect qualitative data in response to semi-structured questions. Key informants from seven main hospitals were interviewed. Respondents understood RCM and identified internal and external challenges in hospital financial management.	This research examines revenue cycle management (RCM) implementation in Saudi government hospitals through leader interviews. Findings highlight challenges like unclear goals and resistance, but leaders recognize RCM's financial benefits. Effective RCM requires strong leadership, clear communication, and patient focus to enhance revenue and healthcare management.
Enhancing Financial Performance: An Application of Lean Six Sigma to Reduce Insurance Claim Denials(J. Kovach, Shrutika Borikar)	Lean Six Sigma methodology was used to reduce insurance claim denials by improving the hospital's Emergency Center registration process through multiple pilot tests.	The paper demonstrates the application of Lean Six Sigma methodology to reduce insurance claim denials in a pediatric hospital by improving the registration process, resulting in a 67% reduction in missing/incomplete fields and an enhanced patient experience.
Revenue Cycle Optimization in Health Care Institutions: A Conceptual Framework for Change Management(Mrinal Mugdh, S. Pilla, Health Care Supervisor)	The methodology involves proposing an integrated change management model utilizing lean and Six Sigma principles for reengineering the people-process-technology framework to optimize the revenue cycle.	U.S. healthcare providers face ongoing challenges in optimizing their revenue cycles due to internal and external factors. This study introduces a change management model using lean and Six Sigma principles to reengineer and realign the people-process-technology framework for improved revenue cycle performance.

Methodology

STUDY DESIGN: Descriptive research design

SETTING: In the TPA and Billing department of a hospital in Guwahati Assam

STUDY POPULATION

Inclusion criteria: Patient coming in hospital who are enrolled under any of the insurance policy and all the service provider of the TPA and Billing Department.

Exclusion criteria: Patient who are not enrolled under any insurance policy

Study tools: Different questionnaires for patients and service provider, and data available in the premise which are permitted to study.

DURATION OF STUDY :

2 month and 15 days

SAMPLE SIZE :- 105 patients and 7 Service providers

SAMPLING TECHNIQUE:- (Convenient) No particular sample has been used, patient who are enrolled and come to TPA for Pre authorisation or Reimbursement are surveyed.

DATA COLLECTION PROCEDURE: Data will be collected by survey and will be analysed in MS excel and SPSS.

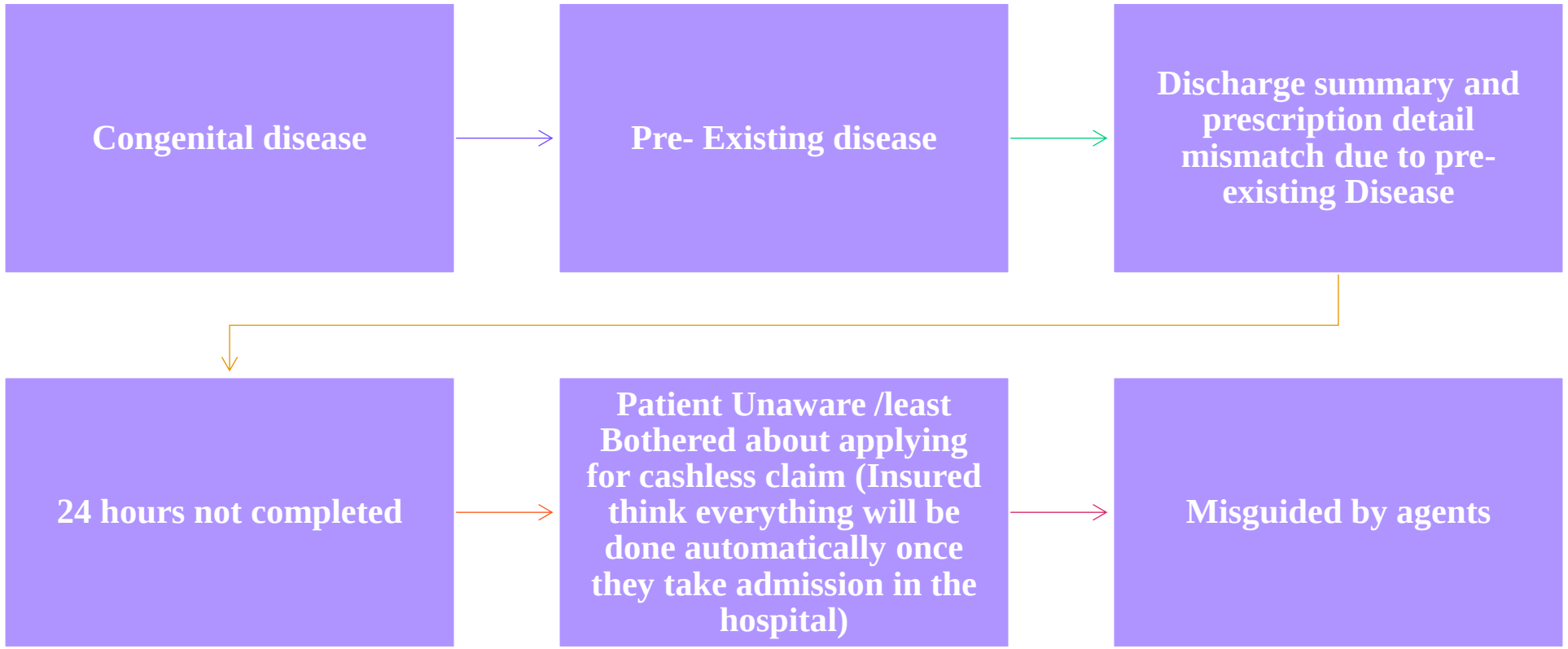
DATA ANALYSIS PLAN: Data will be interpreted in graphs in MS Excel and SPSS.

Denial Reasons are categorise into Two types on the basis of duration :-

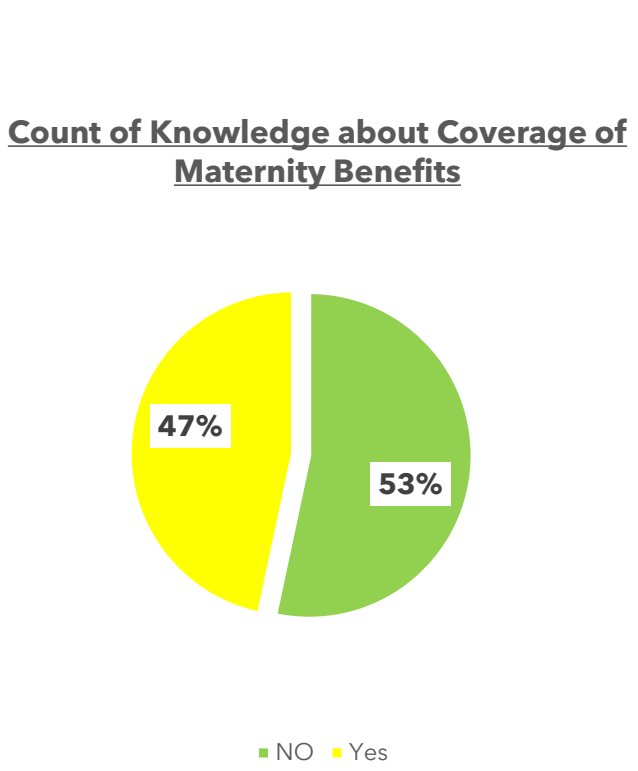
Deny during pre-authorization- 1ST Category

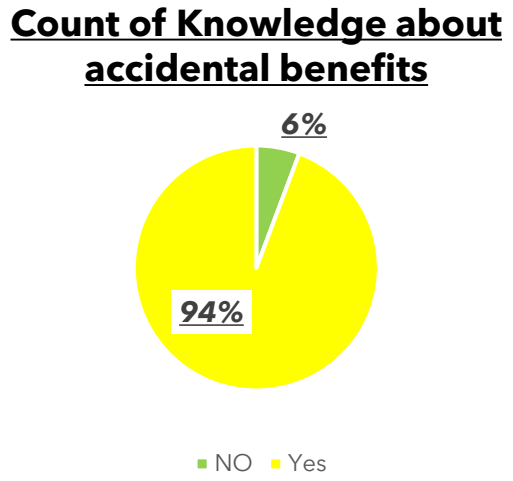
- Waiting Period
- Policy Knowledge of patient
- Maternity
- Fresh Policy
- Congenital disease
- Waiting Period
- High price Demand for any single surgery which is more than Normal

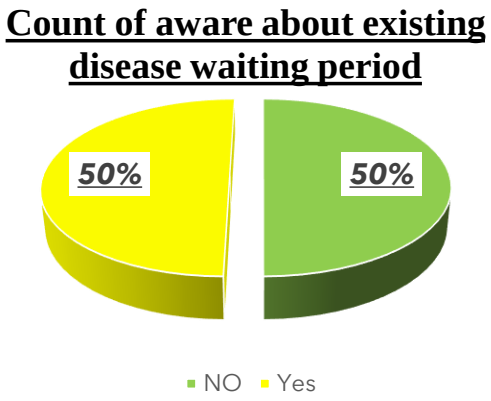
Deny during patient discharge- 2nd Category

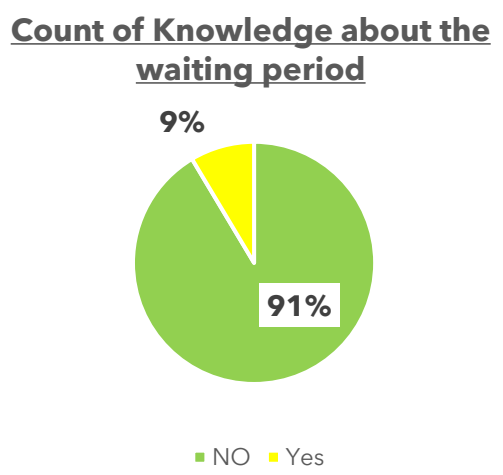


Level of Knowledge and Understanding among patients regarding their insurance policy terms and conditions









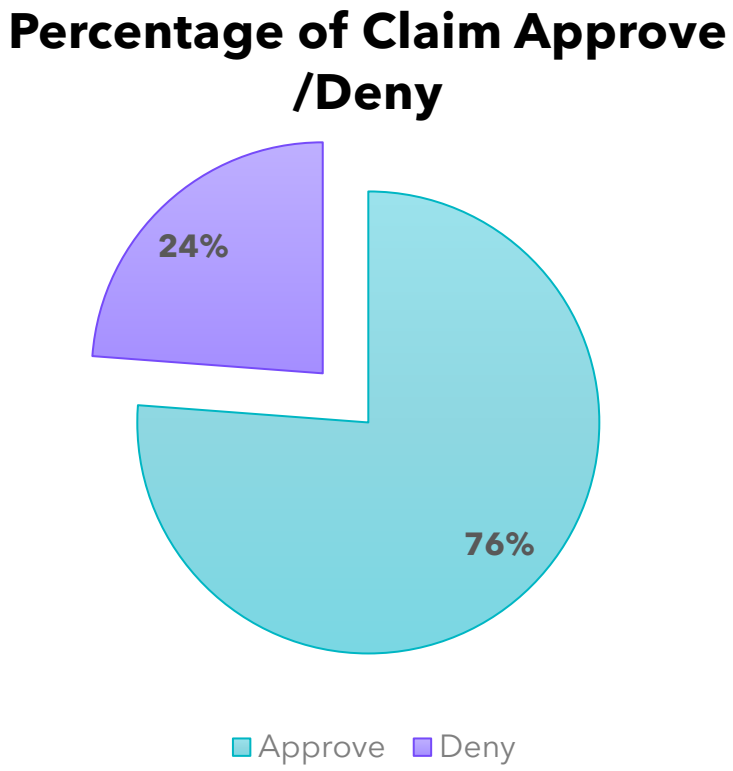
Correlation

Correlations			
		YES/NO	Faced/Not Faced
YES/NO	Pearson Correlation	1	-.685**
	Sig. (2-tailed)		.000
	N	105	105
Faced/Not Faced	Pearson Correlation	-.685**	1
	Sig. (2-tailed)	.002	
	N	105	105

**. Correlation is significant at the 0.01 level (2-tailed).

Analysis

Rate of claim denials



Results

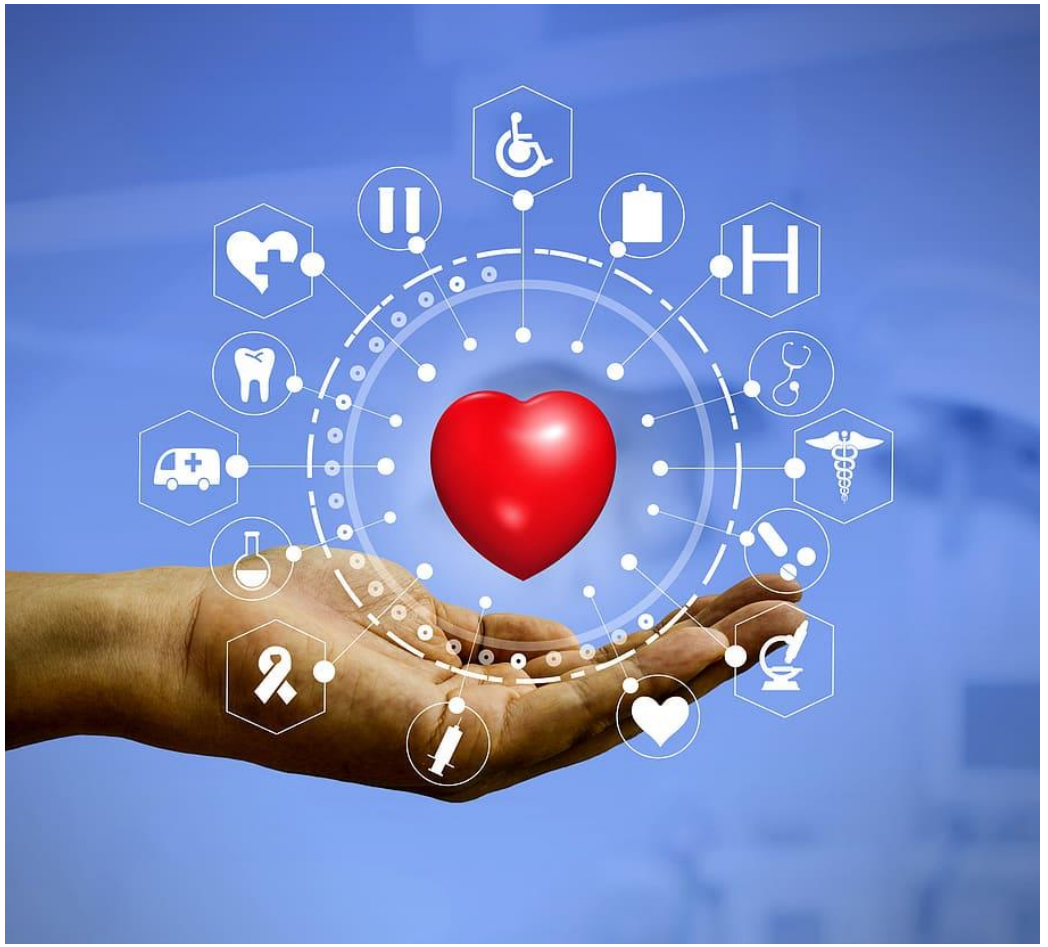
76% claims approved; 24% rejected, higher than the 15% industry standard

56% of respondents faced issues in the claim process

Main rejection reasons: waiting periods (21%), medical conditions (18%), data transfer issues (19%), wrong agent info (16%), incomplete documents (15%)

Awareness gaps: maternity benefits (47%), waiting periods (9%), accidental benefits (94%)

Negative correlation (-0.685, p-value .002) between policy awareness and claim difficulties



Strategies for Decreasing Claim Denials & Improving Revenue Cycle Management

- Enhance Patient Education and Awareness
- Improve Documentation and Billing Processes
- Regular Evaluation and Quality Improvement
- Automation and Digitalization
- Denial Analysis and Utilization Management
- Insurance Contracting and Case Management
- Staff and Leadership Engagement
- Clinically-Driven RCM

Recommendation

Enhance Patient Education and Awareness

Develop comprehensive educational programs and clear communication plans to increase patient understanding of insurance policies, including pre-authorization guidance.

Denial Analysis and Utilization Management

Establish denial analysis teams and implement utilization management measures like pre-authorization checks to control resource use and adhere to insurance requirements, reducing denial rates.

Automation and Digitalization

Utilize electronic health records (EHR), automated claim submission systems, and data analytics to enhance documentation, minimize errors, and predict potential denial situations.

SUMMARY

The study examines the impact of insurance claim denials on hospital finances, revenue cycle, and patient care management. Key issues identified include patients' lack of knowledge about their insurance policies leading to incorrect claims and high denial rates. The research advocates for effective patient education programs, improved training for hospital staff, and robust IT infrastructure to manage claims. Proposed measures include enhancing patient education, promoting awareness of insurance policies, and offering health insurance for hospital staff. Implementing these strategies can reduce denial rates, improve patient satisfaction, and stabilize hospital finances, allowing better resource allocation and quality care enhancement.

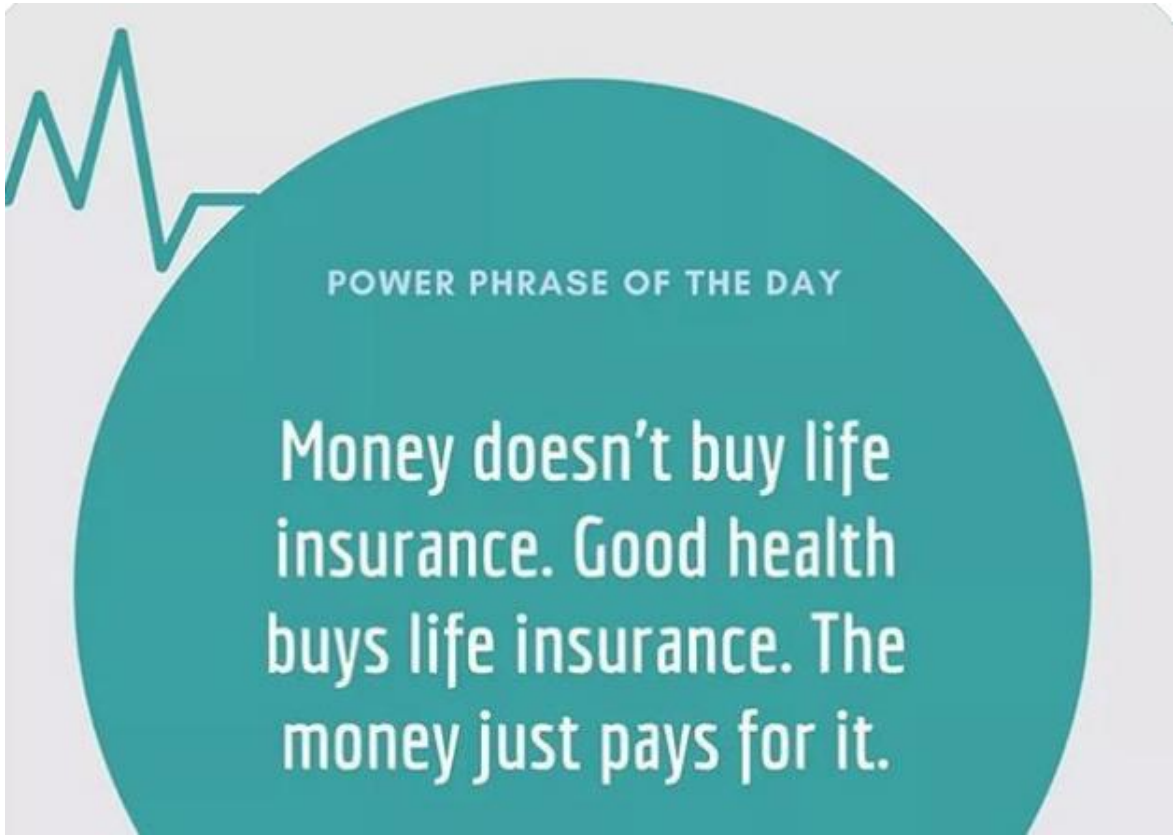
Gantt Chart

Process	Week1	week2	Week3	Week4	Week5	Week6	Week7	Week8	Week9	Week10
Define research objectives and questions										
Literature review										
Collect insurance claim denial data										
Survey to policy holder and service provider										
Analyze reasons for claim denials										
Statistical Analysis										
Write introduction and methodology										
Draft literature review										
Draft results and discussion										
Complete conclusion and abstract										
Review draft for coherence and completeness										
Edit language and formatting										
Incorporate feedback and submission										

GANTT CHART

Duration – 70-72 days

Date – 25th March 2024- 5th June 2024



The younger you buy the lesser you pay

THANK YOU

Dr Ankita Hazarika