

# Using First Pass Yield as Your Success Measurement

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## Which KPI is most important?



### Clean Claim Rate – Claim Scrubber Edits

HFMA Map Definition –  
Percentage of claims  
hitting edits prior to  
billing.

- Goal should be 90%



### Acceptance Rate – Clearinghouse to Payer

Percent of claims  
passing the first set of  
payer edits (999 and 277  
payer response  
notifications).

- Goal should be 99%



### First Pass Yield – Clearinghouse to Payment

Percentage of claims  
getting **paid** correctly on  
first submission.

- Goal should be 95%

# Impact of Denials

- 15%-25% of all claims come back with an initial denial when first billed
  - Organizations rework or appeal 1 out of every 4-5 claims
  - This rework costs staff, resources and time and is ultimately inefficient
- Initial denials
  - 61% due to demographic/technical errors
  - 16% due to eligibility
  - 12% due to medical necessity
- Denial write-offs
  - 42% due to demographic/technical errors

~90%  
are preventable

## Cost of Unnecessary Denials

Cost to rework a claim due to denial = \$25\*

Denial rates average 10%-40% of claims

*Almost 60% of claims rebilled after a denial DENY AGAIN!*

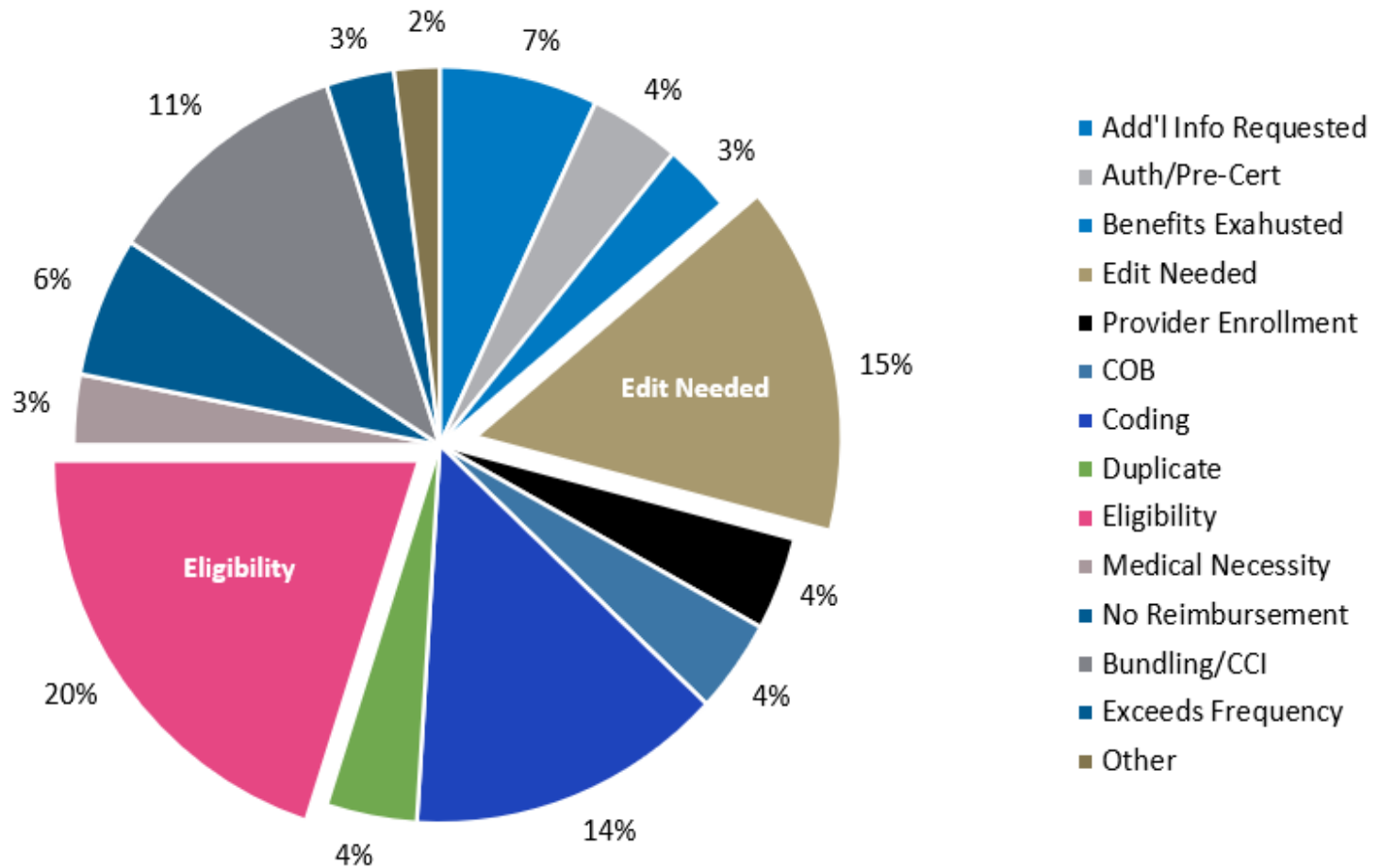
**20,000 claims x 20% FPDR = 4,000 denials**

**4,000 x \$25\* per denial = \$100,000/month**

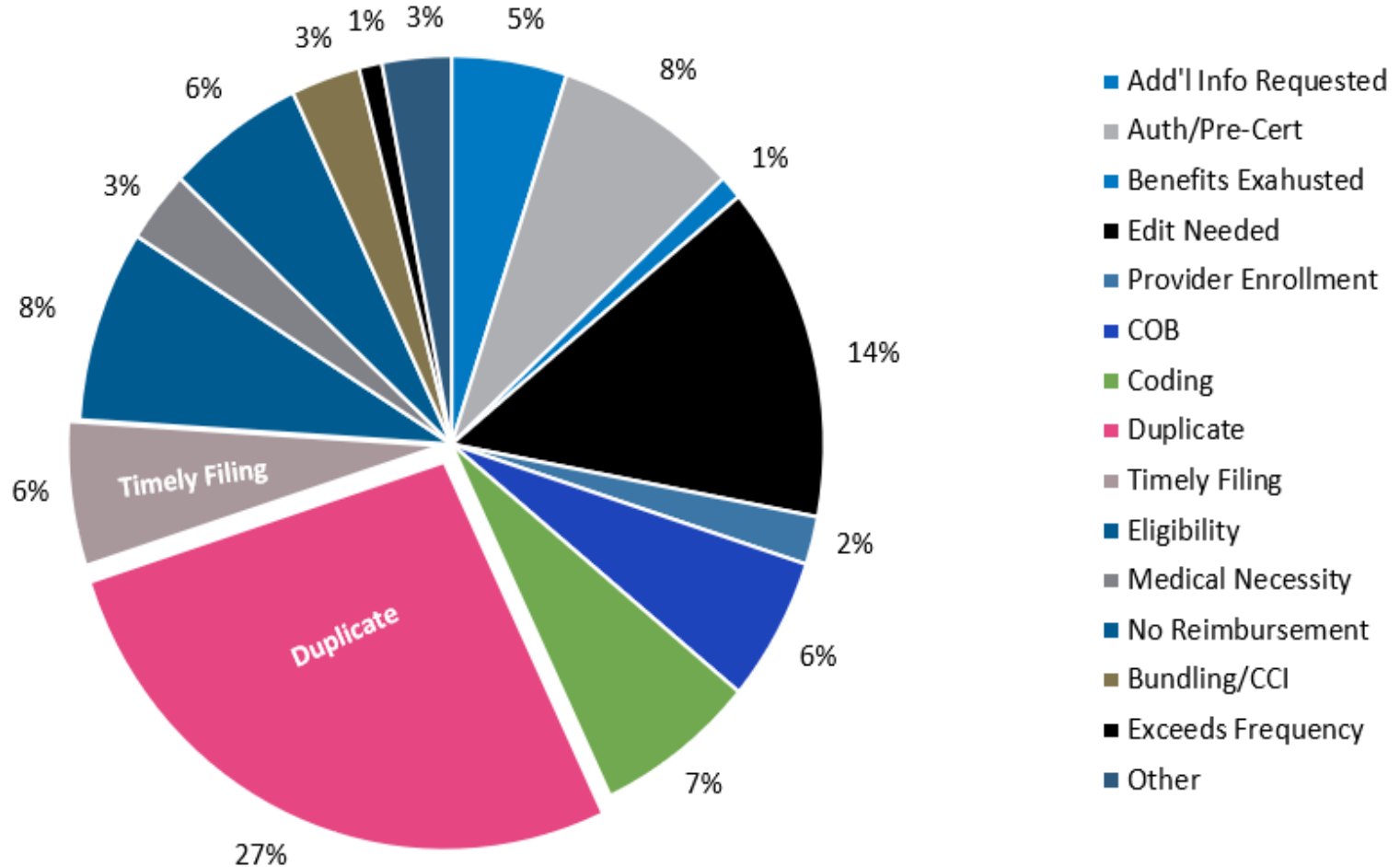
1,500 denials worked per FTE per month



## Denials by Category – First Pass Denials



## Denials by Category – All Denials



## Impact of Improving First Pass Yield

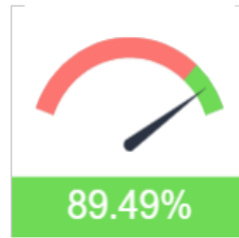
Conservative Estimate Denial Category	July - Sept. Annualized				Denials Reduction	Annualized Reduction		First Pass Reimbursement
	Claims	Charges	% of Claims	% of Charges	%	Claims	Charges	( 22% Gross to Net)
Additional info requested - Patient	180	\$1,385,857	0.3%	0.2%				
Additional info requested - Provider	404	\$2,658,504	1.0%	1.8%				
Provider Enrollment	40	\$312,220	0.1%	0.2%				
Eligibility/Coverage	3,412	\$13,131,752	13.0%	10.5%	10.0%	341	\$1,313,175	\$288,899
Authorization/Pre-Cert	724	\$10,726,626	2.7%	6.5%	10.0%	72	\$1,072,663	\$235,986
Benefits Exhausted	1,592	\$5,432,176	6.1%	4.4%	10.0%	159	\$543,218	\$119,508
Exceeds Frequency	344	\$1,203,354	1.5%	0.8%	10.0%	34	\$120,335	\$26,474
Other Facility Overlap	692	\$1,616,580	2.9%	2.6%	10.0%	69	\$161,658	\$35,565
Billing Related - Edit Review Needed	6,472	\$42,335,049	21.0%	24.9%	50.0%	3,236	\$21,167,525	\$4,656,855
Duplicate/Overlap	2,232	\$12,751,764	10.6%	11.2%				
COB Issue	1,508	\$5,362,062	4.9%	5.0%	10.0%	151	\$536,206	\$117,965
Timely Filing	160	\$1,479,918	0.9%	0.4%	10.0%	16	\$147,992	\$32,558
Coding	1,240	\$10,833,222	9.7%	11.0%	10.0%	124	\$1,083,322	\$238,331
Medical Necessity	2,920	\$13,935,883	8.7%	8.2%	10.0%	292	\$1,393,588	\$306,589
Bundling/CCI Edit	972	\$4,028,350	5.7%	3.8%	10.0%	97	\$402,835	\$88,624
Not Categorized	1,912	\$15,648,236	11.0%	8.6%	10.0%	191	\$1,564,824	\$344,261
<b>Grand Total</b>	<b>24,804</b>	<b>\$142,841,553</b>	<b>100.0%</b>	<b>100.0%</b>		<b>4,784</b>	<b>\$28,194,165</b>	<b>\$6,202,716</b>

# First Pass Yield

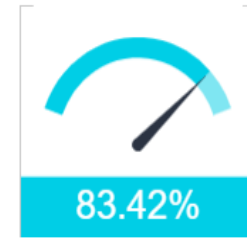
Current Payment Rate



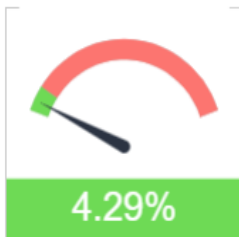
6 Month Payment Rate



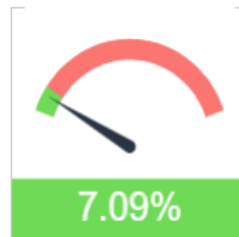
Community 6 Month Payment Rate



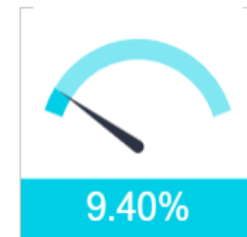
Current Denial Rate



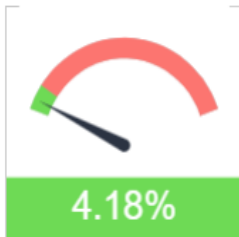
6 Month Denial Rate



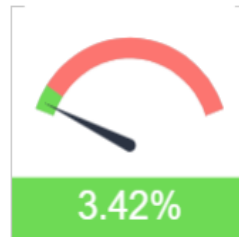
Community 6 Month Denial Rate



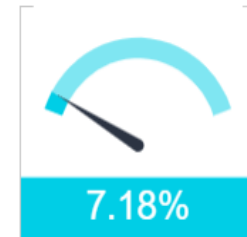
Current No Response Rate



6 Month No Response Rate



Community 6 Month No Response Rate





# Performance Metrics – Cash Flow Prediction

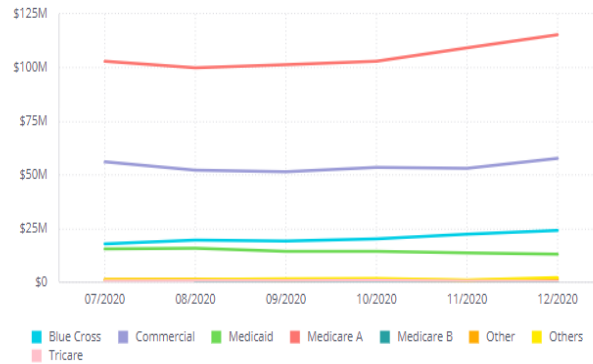
### Daily Statistics

Billed Dollars	Current Month <b>\$202.1M</b>	vs 6 Months <b>2.84%</b>
Collection Dollars	Current Month <b>\$39.8M</b>	vs 6 Months <b>-8.74%</b>

### Denials

Denied Dollars	Current Month <b>\$17.7M</b>	vs 6 Months <b>18.02%</b>
Denied Claims	Current Month <b>2.28K</b>	vs 6 Months <b>-9.50%</b>

### Top Payer Codes Billed

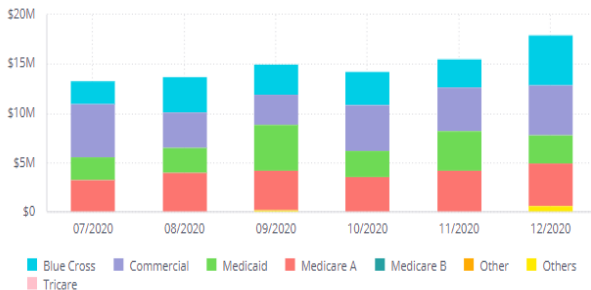


Contract: Demo Contract Name    Provider NPI:    Month: [-002] 2021 - January

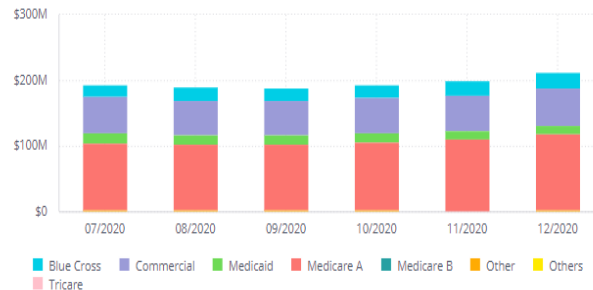
### Calculations

Resubmissions	Current Month <b>0.31%</b>	6 Months <b>0.27%</b>	Community <b>2.21%</b>
Denied Dollars	Current Month <b>8.27%</b>	6 Months <b>6.62%</b>	Community <b>9.12%</b>
Denied Claims	Current Month <b>5.48%</b>	6 Months <b>4.78%</b>	Community <b>6.16%</b>
Clean Claims	Current Month <b>89.83%</b>	6 Months <b>87.48%</b>	Community <b>70.64%</b>

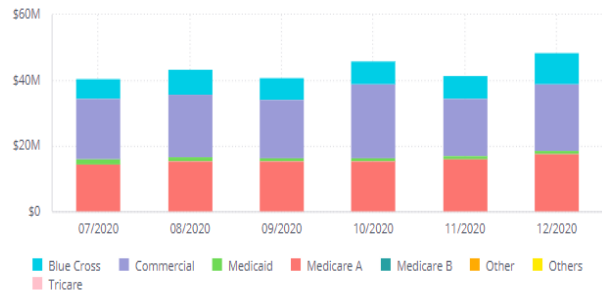
### Denied (Dollars)



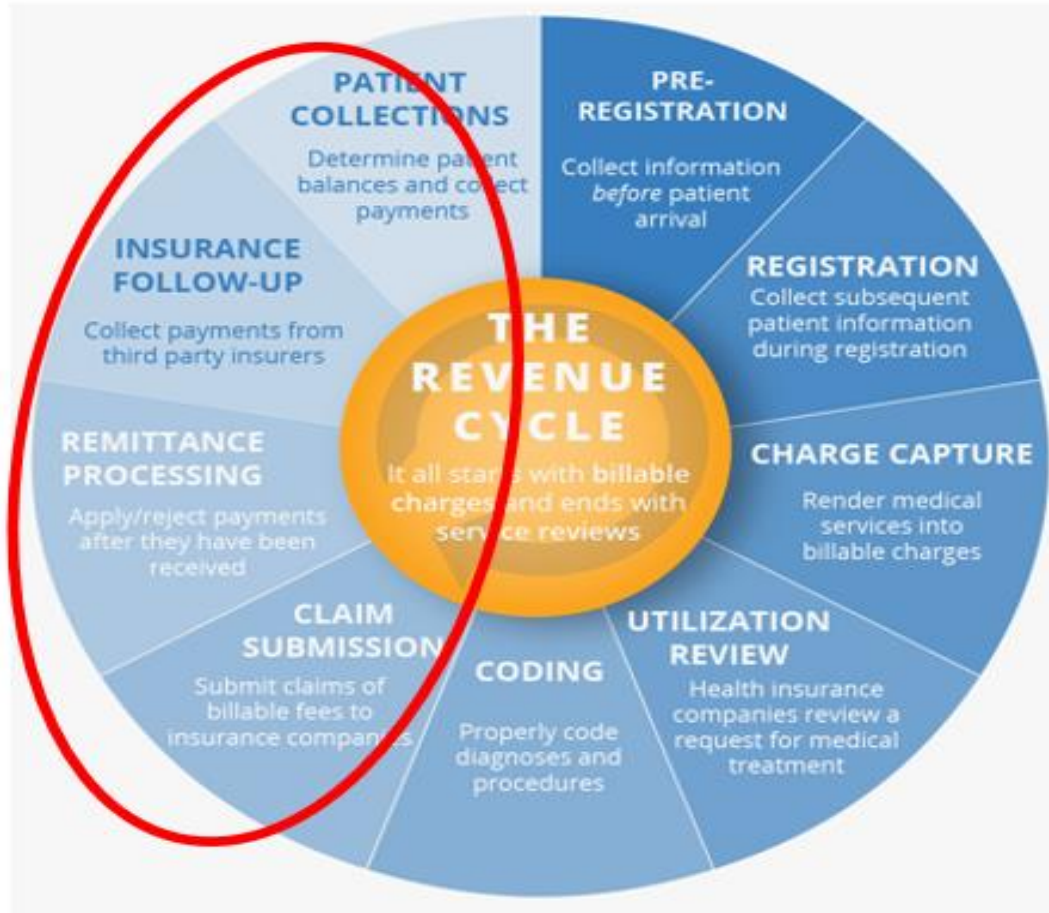
### Billed (Dollars)



### Collected (Dollars)

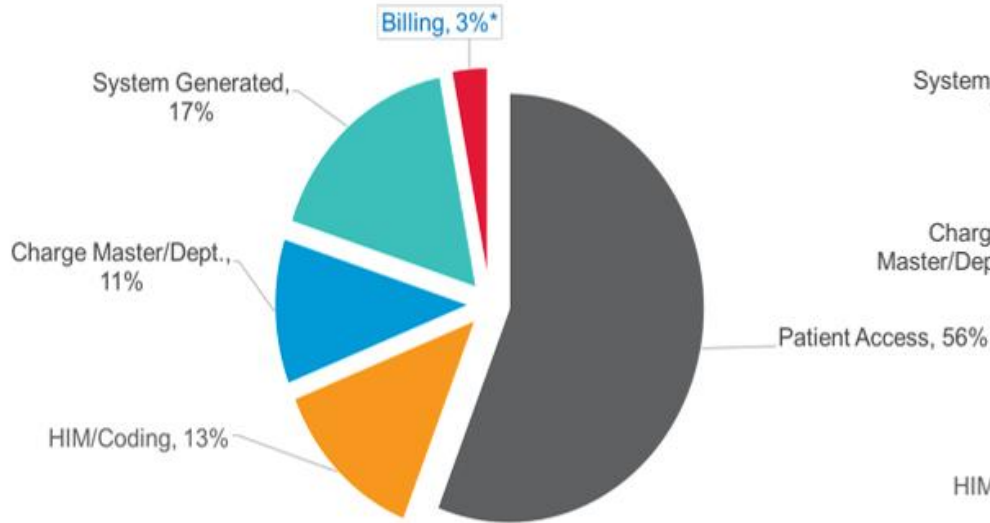


## Cash Flow Does Not Start in the Business Office

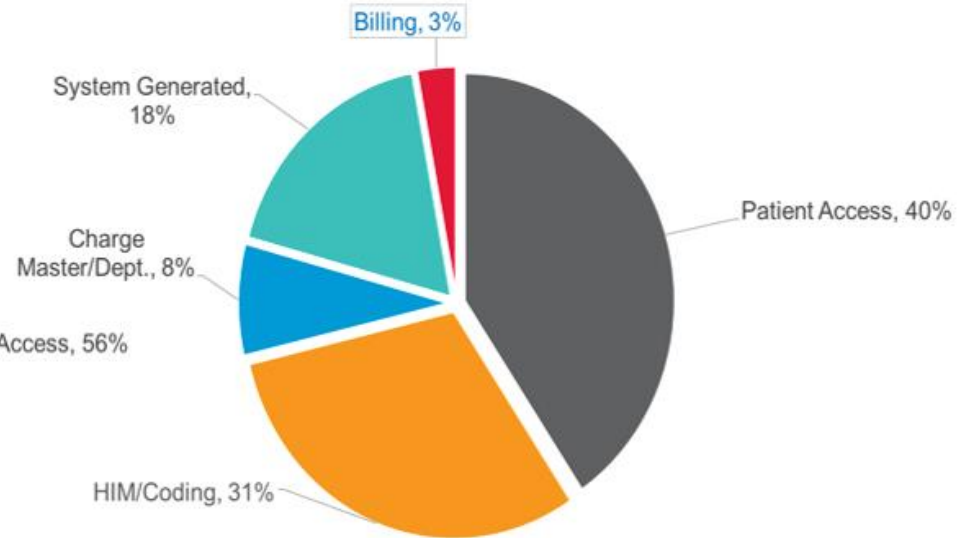


## UB Claim fields compared to Denials

UB Fields

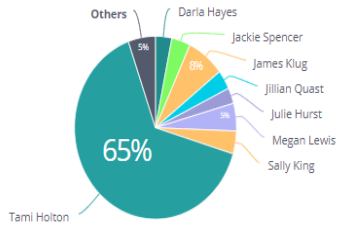


Denials

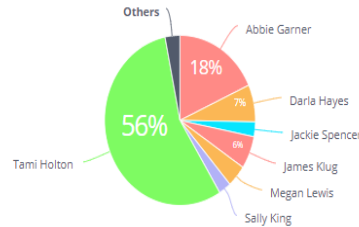


# Reporting Denials by User

Denials by Coder



Denials by Biller



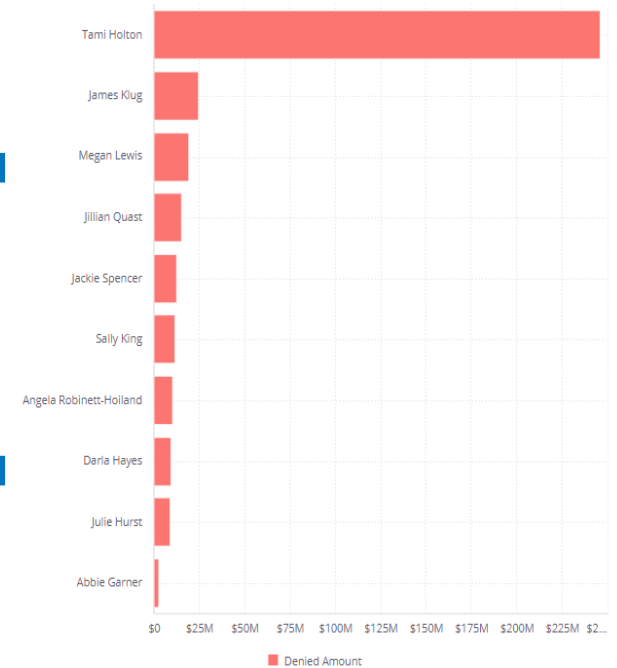
Contract

General Hospital

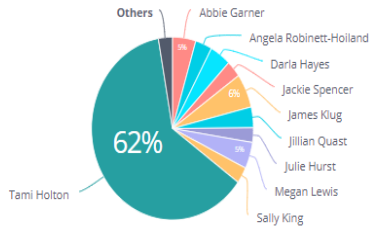
Month

Month

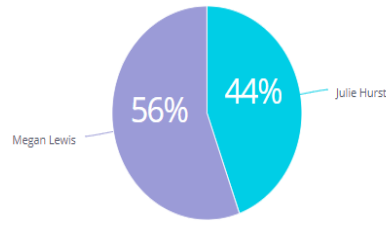
Top 10 Dollars Denied by User



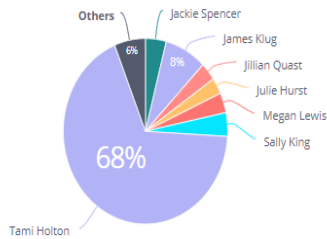
Denials by Registrar



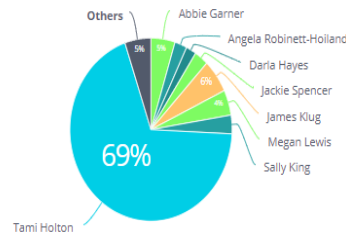
Appeal Denials by Biller



Medical Necessity by Physician



Duplicate Claim Denials by Biller



# Questions - Thoughts



# Contact Me



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