

Advanced Tools Help Reduce Laboratory Denials, Expedite Re-Work, Boost Collections



Research shows the 5-to-10 percent of medical claims rejected by insurance companies account for 90 percent of provider organizations' missed revenue opportunities

Clinical laboratories cannot afford to leave money on the table in today's healthcare environment. Yet denied claims continue to be a significant source of revenue loss for many organizations. By some estimates, the 5-to-10 percent of medical claims rejected by insurance companies¹ account for 90 percent of an organization's missed revenue opportunities.²

The impact of this lost revenue is made worse by the dramatic reductions in testing fees imposed by the Protecting Access to Medicare Act (PAMA), as well as the rise of high-deductible health plans. As patient pay responsibilities increase, so too does bad debt exposure for provider organizations. This makes it imperative that laboratories collect every dollar they're entitled to from insurance companies.

Unfortunately, most labs lack the staff to remediate every denial, and industrywide, only about 35 percent of payer rejections are ever reworked and resubmitted.³ While some organizations triage denial resolutions to focus solely on the highest value claims, this is an imperfect solution that may do little to stem mounting write-offs.

In any case, the cost of resolving denials is significant, with an average of \$25 spent per rejected claim.⁴ Multiply that by 100 denials a month, and remediation expense for an average healthcare organization can easily reach \$30,000 annually.

The good news is that an estimated 90 percent of denials are preventable, and new tools are available to both decrease denials and more efficiently manage those that do occur.⁵ Change Healthcare offers a range of solutions designed to streamline denial avoidance and remediation to help laboratories focus on getting paid faster, easier, and more accurately.

Developing Mission-Critical Processes

Denials occur for a wide range of reasons. Among the most common is missing or incorrect patient information. Other triggers include code or modifier errors, lack of prior authorization, and lack of medical necessity. Resolving these problems while expediting denial re-work demands the consistent application of new capabilities and processes, including:

- Eligibility checks on every claim, including pre-authorizations and medical necessity
- Ensuring claims are correct before submission; clean claims are less likely to be rejected and more likely to be paid faster
- Streamlined workflows that reduce inefficient processes and make re-work simpler and more effective
- Secondary tools to streamline the appeals process
- Regular payer follow-up to identify processes that may need to be corrected and/or areas for staff education improvement

Revenue Performance Advisor offers solutions that help providers address:

- Check-In and Eligibility Verification
- Claims and Tracking
- Rejections and Denials
- Billing and Payments
- Reporting and Metrics

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A Comprehensive, Flexible Solution

Change Healthcare's Revenue Performance Advisor is a revenue cycle management solution that fits seamlessly with existing practice management platforms to deliver the capabilities you need to accomplish these tasks. That means you'll spend less time chasing verifications and appealing denials and have more time to focus on improving cash flow.

Denial Avoidance

It's no secret that multiple vendors offer denial management solutions. What makes Change Healthcare unique and more effective is our Intelligent Healthcare Network™, the nation's largest network connecting providers, payers, and technology partners. By providing connectivity to more than 2,100 payers⁶, Change Healthcare offers the scope and breadth laboratories need to access patient and eligibility information, manage claims, track remittances and more.

Revenue Performance Advisor helps providers minimize and resolve denials by:

- Automating rejected and denied claims processes, which enhances staff efficiency and accuracy, helps optimize cash flow, and reduces delays in reimbursements
- Connecting to most practice management systems to provide real-time updates
- Providing the ability to “work by exception” so you see a claim only if it is rejected and why, which you can then validate and resubmit within minutes
- Providing an appeal letter library, which makes it easy to create custom appeal letters on demand while adding supporting documentation with just a click

Improved Revenue Cycle Management

In addition to helping labs and providers minimize and manage denials, Revenue Performance Advisor helps streamline and improve the laboratory revenue cycle:

- **Simplified Reconciliation:** Revenue Performance Advisor enables enhanced visibility into the claims process to help your staff work smarter, not harder. Working by exception, staff can quickly spot any rejections, then validate and resubmit within minutes.
- **Streamlined Workflow:** Revenue Performance Advisor improves efficiency by automating a range of critical tasks and functions, including updating single or batch claims, automating queues, and posting to patient records.

Game-Changing Capabilities

Denials represent a clear and present financial danger for clinical laboratories. Not only do they have the potential to seriously reduce collections and undermine cash flow, they also are time-consuming and costly to resolve. Revenue Performance Advisor helps labs minimize the likelihood of denials occurring in the first place. And when they do, you’ll be able to resolve them quickly and efficiently.

Contact your Change Healthcare representative today at 1-866-817-3813 to learn more.

¹ “Top 4 Claims Denial Management Challenges Impacting Revenue,” Jacqueline LaPointe, RevCycle Intelligence, March 10, 2017

² “Visibility key to efficient revenue cycle management,” John Andrews, Healthcare IT News, Sept. 16, 2010

³ “Optimizing the Revenue Cycle Requires a Financially Integrated Network,” Chris Wyatt, HFMA, July 7, 2015

⁴ Ibid.

⁵ “An ounce of prevention pays off: 90% of denials are preventable,” Morgan Haines, Advisory Board, Dec. 11, 2014

⁶ Internal Change Healthcare data



Insight. Innovation. Transformation.

About Change Healthcare

Change Healthcare (Nasdaq: CHNG) is a leading healthcare technology company, focused on insights, innovation and accelerating the transformation of the U.S. healthcare system through the power of the Change Healthcare Platform. We provide data and analytics-driven solutions to improve clinical, financial, administrative, and patient engagement outcomes in the U.S. healthcare system.

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