



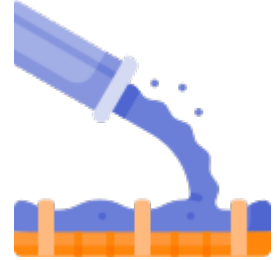
TERNIUM

REVENUE CYCLE MANAGEMENT

The Denials Toolbox

Making Sure You Have the Correct Tools to
Combat Rising Denials

Pouring the Foundation



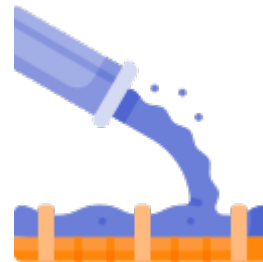
Clinical Denials Have Increased



Over the last 5 years, there has been a significant increase in clinical denials including:

- Authorization,
- Medical Necessity,
- Inpatient to Outpatient Downgrades,
- ED Acuity Level Downgrades, etc.

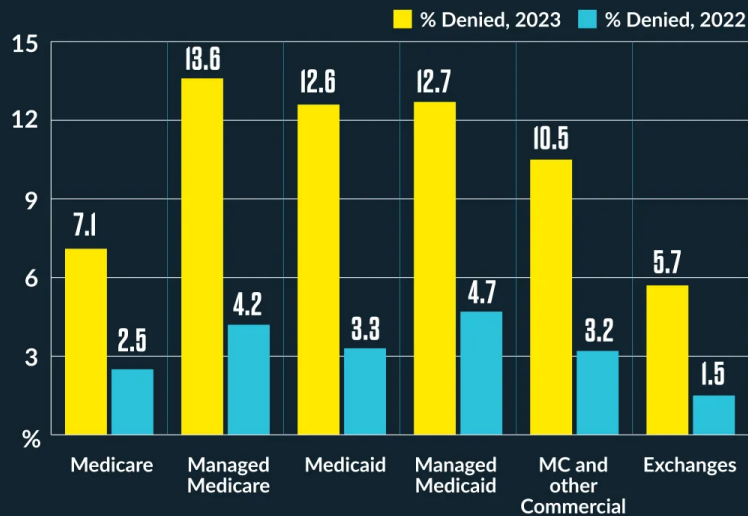
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And More Recently

Claims denials worsen

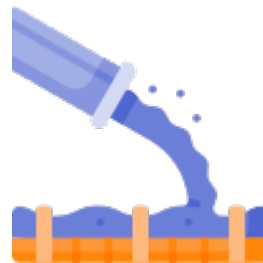
Denials for claims — even after receiving prior authorization — increased across payers in recent years. Share of claims denied after receiving prior authorization:



Source: Premier Payer Data Survey 2025

Source: <https://www.hfma.org/fast-finance/ai-automation-payer-denials-management/>

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And Even More Recently

Payer Relations

\$20B

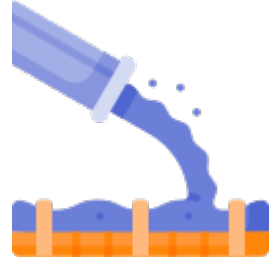
Annually spent on
appealing claims

**20%
increase
2023**

*Denials from
commercial plans*

Seventy-three percent of providers have seen claims denials increase, according to a 2024 survey by Experian Health. That included 38% saying denials occur on at least 10% of claims and 11% who had denials on 15% of claims.

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But Why?

- Payors are tightening the rules
 - Increasing prior authorization requirements
 - Enforcing medical necessity guidelines more strictly
 - Narrowing coverage policies
- Leveraging AI to streamline (automate) the denial process

You Need a Denials Toolbox



What's in your toolbox?

- Need to reevaluate your process
- Need to determine what tools you have and what tools you need
- Find the correct tool for the job

The Magnifying Glass



Leverage your Magnifying Glass to help identify denial reasons

- Number 1 issue Ternium sees – inability to correctly identify the root cause of denials
 - Are you using more than CARC/RARC codes?
 - More than EOB denial codes?
 - Are you receiving sufficiently detailed information to determine **precisely** what created the denial?
- You may need to inspect your denials information more closely to help determine the **TRUE** cause of denial, only then can you formulate a plan of attack.

The Measuring Tape



If you aren't measuring your denials accurately, you will never build a workable solution

- After denials identification, you must be able to quantify your denial causes
 - Do you have a denials tracking tool?
 - What is that tool and what is its full functionality?
 - What do you do with the information you track?
- Measure twice, cut once!
 - Measure the denials, measure your success!



Tool Organizer



After identifying, tracking, and measuring your denials, you must know which tool to select in which situation

Not all denials are equal, but treating them that way wastes time and results in suboptimal resolutions

- Categorize your denials around solutions
- Set rules to prioritize denials by financial impact, likelihood of success, and timely filing limits
- Refine your tools regularly

The Torque Wrench



When pursuing resolution, know how to apply just the right pressure and to where

Understand your options, levels, and successes

- Consider weak, slow, or misaligned appeals that fail to reverse the denial – strength of case, strength of argument
- Leverage templates, intelligent automation, and payor-specific workflows where appropriate
- Push where you can (appeal levels, external appeals, arbitration, litigation, contracting)
- Leverage specialty partners where greater success is possible

The Multitool



Deploy a variety of tools for a variety of challenges

Every payor may play by a slightly different set of rules – contracts, policy manuals, laws

- Align some tools for a coordinated approach and greater impact
- If one part of your approach doesn't work, another may
- Develop a compact multi-faceted approach for different common issues that can be deployed quickly and accurately

The Scalpel



Develop precise tools for precise challenges

Understand where there are specific challenges, processes, or tools that can be leveraged for impactful successes



**EVERY PIECE
HELPS
INCREASE CASH
FLOW**

The Walkie-Talkie

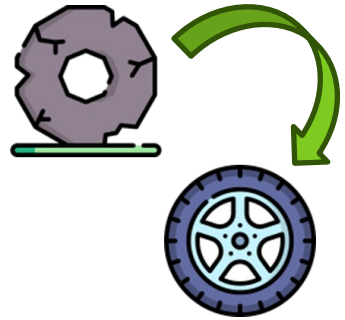


Start to finish, you must communicate to not only resolve denials, but to prevent them

Silos between billing, coding, clinical teams, and payers is a financial detriment to your organization

- Share denial dashboards across the full revenue cycle
- Understand that many denials are created prior to claims submission
- Form a denials committee that meets regularly to review denials, results, and processes
- Educate your team on emerging trends and success – have a robust feedback loop

The Wheel

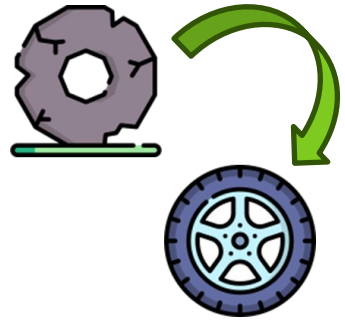


No need to reinvent it, but you may need to modernize it

While there is a lot of focus on AI in the industry, an evaluation on modernizing your operations doesn't have to begin or end there

- Identify the manual processes that create bottlenecks
 - Insurance verification, coding, claims editing, denials follow-up
- Evaluate the financial impact of those processes
- Determine if there are automated solutions that can increase your efficiency and time to resolution/revenue

The Wheel

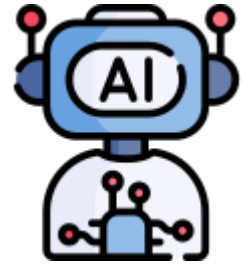


No need to reinvent it, but you may need to modernize it

Some recommendations where you can extract quick value

- Automated insurance verification
- Computer assisted coding
- Robotic Process Automation
 - Automate repetitive tasks (data entry, status checking)
- Predictive analytics and business intelligence
 - Forecast patient volumes, denial trends, financial impact

The Robot



Do we have time to talk about AI?

Artificial Intelligence is an emerging, and rapidly evolving aspect of Healthcare revenue cycle. What should be some of the considerations?

- Who has control over your data and how is it being used?
 - HIPAA questions linger
- Build or buy?
- Over promise and under deliver?
 - Is the juice worth the squeeze?
 - Have a baseline economic return baked in, a worse case scenario
- Who is getting the benefit of leveraged AI?

Final Thoughts

Just like in construction, the right combination of tools, maintenance of those tools, and skilled people using them make or break the success of a healthcare organization's revenue cycle.

A rusty wrench (outdated process)? A missing drill bit (untrained staff)? You're losing time and money.

Keep acquiring tools and adding them to your toolbox for greatest success.



Thanks!

Any questions?

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