VIRGINIA-DC HFMA 2025 FALL CONFERENCE

Identifying and Tracking Payer Underpayments

Improving Accuracy, Efficiency, and Financial Visibility

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Key Challenges

- Process & Efficiency
  - Reliance on spreadsheets and manual work
  - Long processing time – months behind
  - Hard to track; issue magnitude not measurable
- Ownership & Accountability
  - No clear ownership – Billing Office, Finance or Contracting?
  - Limited bandwidth
  - No consistent follow-up or resolution tracking
- Visibility & Financial Impact
  - Lack of transparency; underpayments hard to identify
  - Delayed recognition affected multiple fiscal years' revenue
  - Unable to quantify impact or report financials
  - No clear impact reporting of collections for Departments or Provider
  - Financial losses – missed opportunities
  - Recovery efforts inconsistent and difficult to track

Revenue Cycle Leadership Objectives

1. Identify underpayments from payers
2. Report on underpayments from payers
3. Collect underpayments from payers
4. Report on success of collecting underpayments from payers

Our Plan: Goals & Objectives

- Visibility: Provide clear view of underpayments and impacted accounts
- Accountability: Own the process
- Reporting: Track volume, financial impact and resolution
- Efficiency: Streamline identification and resolution process
- Accuracy: Reduce errors and ensure consistent application of contract terms
- Timeliness: Resolve underpayments quickly to protect new revenue
- Continuous Improvement: Identify trends, refine processes, and prevent recurrent issues

Our Approach

- Set up team
- Train team on process and tools
- Work with Contracting Team to identify contract terms
- Build contract terms in Epic
- Set up work queues
- Establish guardrails for qualified accounts (+/- % of variance)
- Identify potential underpayments
- Classify potential underpayments as Build Issues = UVA team fixes (system build) or Payer Issues = (payer underpayments)
- Provide feedback to Contracting Team on contract-to-build difficulties (ex. variations in specific employer/plan reimbursements; reimbursements based on taxonomies, etc.)

Underpayment Tracking Process

- Identification of potential underpayments
- Classify potential underpayment as Build-Issue related vs. Payer-related issues
  - Assign each problem an unique issue number
  - Impacted accounts are captured in one place for monitoring & consistent follow up
- Resolve underpayment issues and build-related issues
  - Track resolution efforts and steps taken to resolve issue
- Provide clear visibility through reporting to RCO Leadership, Department Administrators and Providers

Visibility into Underpayments

- Ability to export accounts for payer reps in spreadsheet format
- Filter by issue number to measure impact of discrepancies
- Report on specific terms: payer, provider, CPT code, plan level
- Agenda item at payer meetings to maintain awareness
- Enables leadership to see potential net revenue impact
- Ongoing development of reports to show current volumes and resolution status

Results and Value

- New process:
  - Identified Aetna underpayment in April 2025 – within 10 days from the date the remit posted
    - Impact = $2.1M
    - 90% resolved by June 30th
    - 100% resolved by July 31st

- Old process:
  - Anthem underpayment for clinic group practices
    - Impact = $1.1M
    - Identified in November 2024, affecting claims back to January 2024, still being worked
  - Aetna underpayment
    - Impact = $400k in underpayments
    - Identified in February 2025, affecting claims back to February 2024, resolved in June 2025
  - Anthem underpayment for Behavioral Health claims
    - Impact = $200k in underpayments
    - Identified in October 2024, affecting claims back to November 2023, resolved in August 2025

Key Takeaways

- Establish clear ownership and accountability for underpayment issues
- Enhance visibility into potential net revenue impacts for Department and RCO Leadership
- Ensure continuous monitoring and consistent follow-up through work queues
- Enable efficient tracking, reporting, and timely recovery of underpayments
- Drive continuous process improvement

Thank you!