

Cognizant Denials Assessment

Rising denials are constant thorns in providers' sides as recent research shows that roughly 15% of all claims submitted to private payers are initially denied¹. Adding to this alarming statistic is an equally concerning reality—up to 60% of returned claims are not being resubmitted².

Cognizant's proprietary Denials Assessment can help providers address denial challenges and uncover opportunities for process improvement. The Denials Assessment is a comprehensive evaluation that pinpoints systemic problems that cause downstream denials. Issue identification is then coupled with both short- and long-term action plans to reduce initial denial rates and increase overall denial recovery efforts.



Our process

Data

- Gather 12 months of client data
- Review 837/835 data
- Assess ATB/inventory report

Analysis

- Uncover denial trends
- Compare historical vs. outstanding
- Identify patterns

Assessment

- Outline key findings—risks and opportunities
- Provide root cause analysis

Action plan

- Develop short- and long-term remediation strategy
- Deliver action plans

1. Cass, A. (2024, March) Claims denials are costing hospitals nearly \$20B per year. Becker's Healthcare.
2. Mills, T. (2019, September). Why getting claims right the first time is cheaper than reworking them. Physicians Practice.

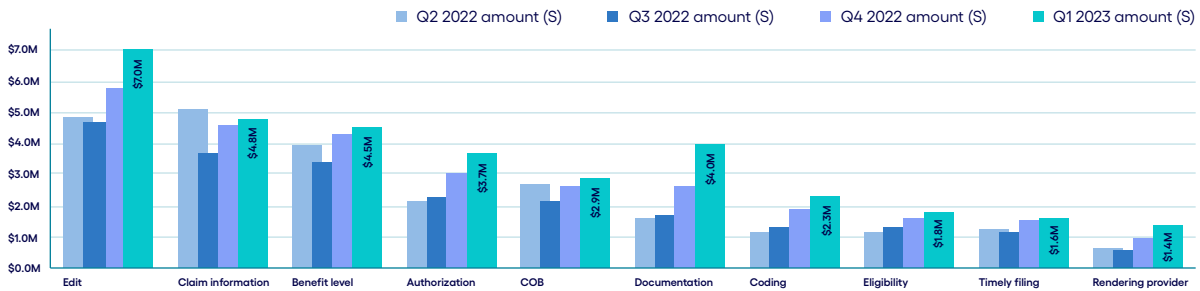
The Denials Assessment provides a complete evaluation that is complemented by process improvement recommendations for various challenges such as accounts receivable (AR) backlog, safety net programs, automation and AI integration. Clients can also augment findings with advisory engagements and deploy a complete denials management solution.

Sample assessment deliverables:

High-level trends: Q2 2022 to Q1 2023 denial amount trends

Note: Claim sum(s) can be accounted for in more than one denial group

Q2 2022 to Q1 2023 top denial reason group amount (\$) trend by quarter



Summary of Q2 2022 to Q1 2023 denial trends

Due to an increase in services being rendered at certain locations, Q1 2023 experienced a spike in denied claims.

From Q2 2022 to Q1 2023, the categories with the largest denied dollars were edit, claim information, and benefit level accounting for \$56.7 million and 50% of denials.

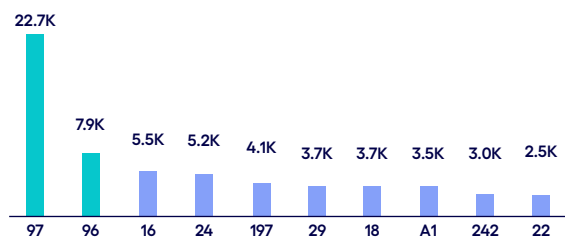
Bundled services and surgeries experienced more than a 35% increase in denials in Q1 2023, leading to a jump of 20% in sum of denials for the quarter.

Documentation experienced a huge jump of more than 50% in Q1 2023 compared to Q4 2022. 45% of those denials were due to medical necessity.

Bundled services, out-of-plan services, and billing issues caused claim information and benefit level to jump by more than 30% starting in Q3 2022.

Detailed trends: Data analysis—Q1 2023 denial reason codes

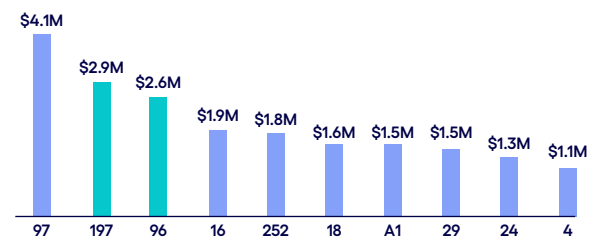
Q1 2023 top 10 denial volumes by denial reason codes



Summary

- 35% of the total denied volume of charges were related to reason code 97 (edit)
- 13% of the denial volumes were related to reason code 96 (non-covered charge), which accounted for the third largest amount denied

Q1 2023 top 10 denial amounts by denial reason codes



Summary

- ~80% of the claims denied for authorization (197) are outpatient and can be resolved up front:
 - \$1.3M office
 - \$1.1M outpatient
- \$2.6M denied for reason code 96 (non-covered charge) was due to incorrect billing or service not being a benefit

With over 30 years of revenue cycle management experience, a vast array of enterprise resources and a global presence, we have the seasoned expertise to develop tailored denials management solutions for our clients. Our HITRUST and SOC 2 certifications validate our data security protocols and indicate that our solutions are consistent and compliant with industry standards, leading to improved overall efficiency and revenue recovery effectiveness for our clients. To learn more about the Cognizant Denials Assessment, connect with us at cognizantcr.com/contact