

Care meets payment: Teaching hospital dramatically reduces medical necessity denials across payers

The vision

When medical necessity denials nearly doubled at Saint Peter's University Hospital in New Jersey, leaders needed to understand why. Identifying the root cause of the problem would enable them to develop a proactive plan for denial prevention. This would reduce rework, mitigate future revenue loss, and ensure patients have timely access to the right level of care.

Co-creating the solution

Commercial and government payers had substantially shifted their approach to medical necessity, with more than one-third of state residents having experienced a care denial. The teaching hospital partnered with Chartis to assess its revenue cycle and develop a comprehensive strategy to prevent denials.

Key to the solution was establishing collaboration and standardization across utilization management (UM), case management, and revenue cycle. This included a new UM and clinical denials dashboard for data-driven decision-making, real-time patient status review meetings, and clear handoffs between functions.

Believe in better

Saint Peter's University Hospital has dramatically decreased denials, increasing inpatient revenue by \$17 million in 9 months. Real-time data and communication enable staff to assign the appropriate patient status. Clear roles and responsibilities ensure streamlined functions and handoffs. A dedicated physician advisor model has improved peer-to-peer reviews, resulting in three times more overturned denials. And aligned department leaders have a roadmap for continuous improvement.

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Denial management is, and will continue to be, an ever-evolving process. Payers are changing the rules and policies so fast that we need a proactive team to identify the changes and adjust our processes on a real-time basis. With that, we're improving revenue and ensuring timely access to care.”

–Garrick Stoldt, Chief Financial Officer,
Saint Peter's Healthcare System

Building to better

Reducing medical necessity denials requires:

ACCURATE AND ACCESSIBLE DATA

to provide actionable insights

CLINICAL AND FINANCIAL PARTNERSHIP

to break down silos

PROACTIVE DENIAL PREVENTION

to identify and resolve problems concurrently

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