Sift HEALTHCARE

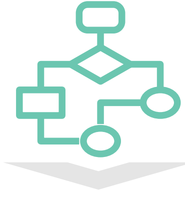
Intelligent Analytics.
Enhanced Performance.
Better Outcomes.

CASE STUDY

Sift Solution: Data Science Optimizes Claims Workflow

Client: National Revenue Cycle Management Vendor

CHALLENGE



The revenue cycle management vendor was increasingly challenged with inefficient workflow processes related to claims and adjudication. Denials were an escalating problem, requiring extensive resources to manage. The company had to rely on basic EDI information to assess each denial, which limited its ability to provide true insight into claims throughout the revenue cycle. Without full visibility, the vendor's denial issues continued to escalate, resulting in growing expenses for the company and delays in reimbursement for clients.

SOLUTION

Sift Healthcare was chosen because of its ability to leverage data science, artificial intelligence, predictive analytics and machine learning to fill the analytic gaps of traditional revenue cycle information.

By normalizing data across all revenue cycle systems, including the electronic health record, the practice management system, and claim statuses, Sift Healthcare improves data clarity, giving this vendor a unified view of all data related to reimbursement and adjudication.

INITIAL ANALYSIS PERFORMED

To begin the partnership, Sift Healthcare completed an in-depth analysis of 18 month of all reimbursement data from 100 medical practices using the vendor's turnkey revenue cycle services. This was conducted to uncover existing workflow issues and to identify opportunities for improvement. The results would be used to develop a new, more effective model for this tech company's approach to revenue cycle management.

As part of the analysis, Sift Healthcare collected data where initially denied service lines on a claim were successfully overturned and paid. They tested this information against a control group of denials and used this data to score each claim. For the highest scoring claims, the number overturned was around 80%. For the lowest-scoring claims, only 1% were overturned. Based on this analysis, Sift Healthcare revealed that 50% of denials had accounted for 96% of all denial value.

ABOUT THE CLIENT

Sift Healthcare worked with one of the nation's largest and most respected revenue cycle management companies with a national footprint offering full outsourced revenue cycle management services.

Additional findings included:

- **20%** of denials were due to charges not being covered in the patient's benefits plan
- **13%** of billing statements included errors
- Duplicate bills accounted for **7%** of denied claims
- Claim editor failed to capture essential information, such as coding errors or accurate payer requirements
- Unreasonably high denial rates for point-of-service and PPO claims
- Poor coding quality at practice level

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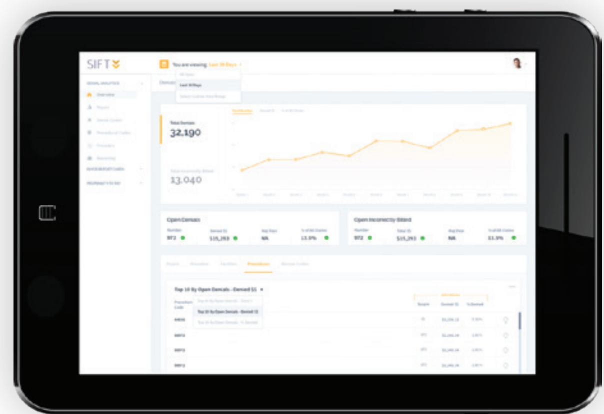
BUILDING THE NEW MODEL

By normalizing and applying predictive analytics to all data related to claims and adjudication, Sift Healthcare was able to build a more strategic, informed model for managing denials. The primary focus of the new model was to focus only on those claims with the highest potential return and to eliminate rework of denials with the lowest likelihood of being overturned. By continuously monitoring and applying machine learning to all claims data moving forward, Sift Healthcare is able to adjust the rankings to achieve the highest level of return on denials rework.



IMPACT

Pleased with the fast turn-around of the analysis enabled the opportunity for rapid operationalization of a new model enabling the vendor to;

- Eliminate significant portion of denied claims
- Reduce workforce by **100 people**
- **Save $4 million** in salary costs
- Able to reduce or avoid **nearly 10%** of denials through claim edit changes
- Acquire the ability to direct denials to the right team based on complexity
- By leveraging Sift's predictive engine, staff can focus only on those **50%** of denials that make up **96%** of all their successfully overturned denials.
- Create new revenue streams through upselling into existing client base.

With Sift Healthcare, the vendor has been able to identify significant opportunities to eliminate waste, improve claim workflow efficiencies, minimize claims with coding discrepancies, and transform denials management. By elevating the value of its product offering, the vendor has the opportunity to gain a competitive advantage in the marketplace.

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