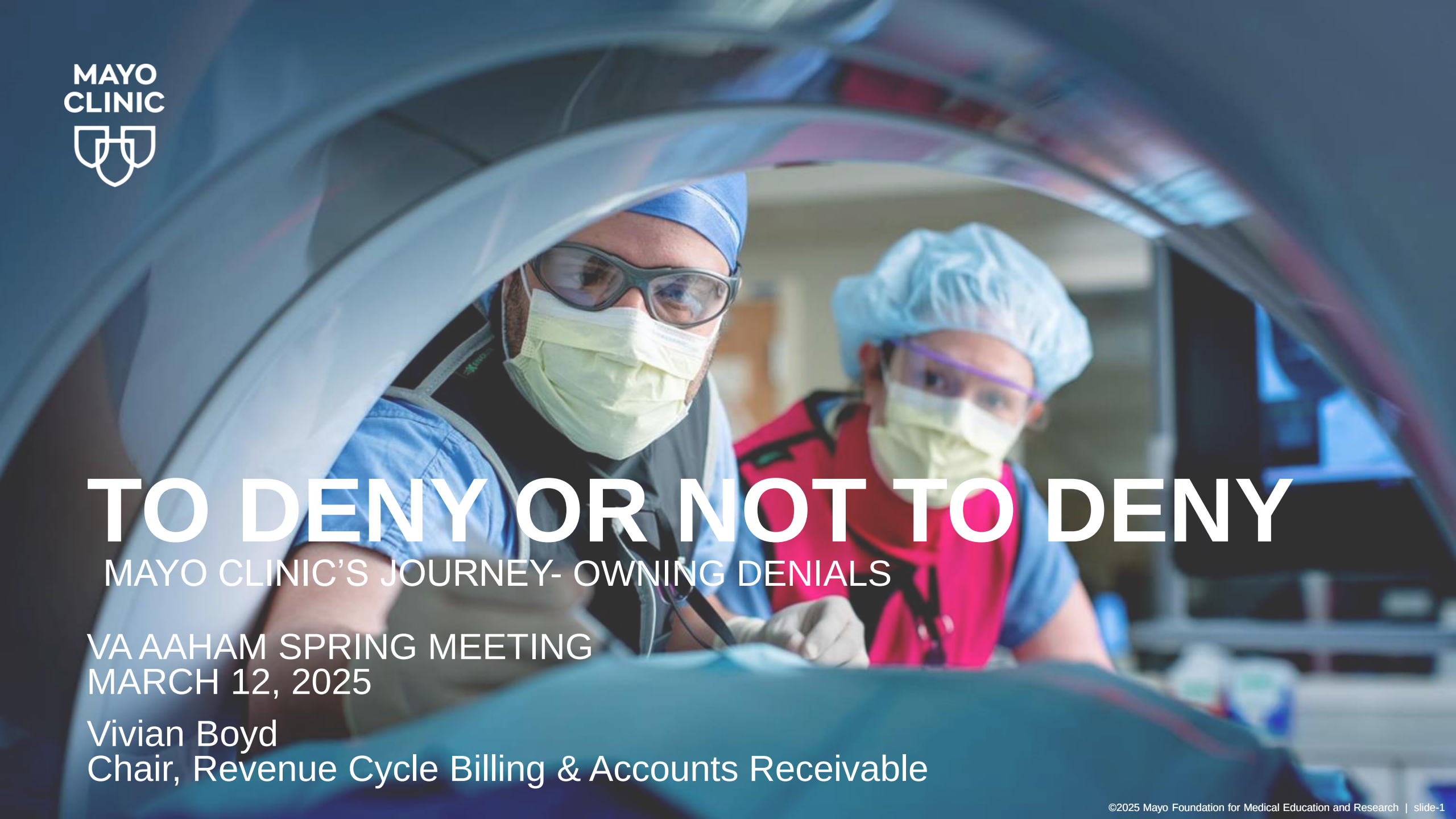

TO DENY OR NOT TO DENY

MAYO CLINIC'S JOURNEY- OWNING DENIALS

VA AAHAM SPRING MEETING
MARCH 12, 2025

Vivian Boyd
Chair, Revenue Cycle Billing & Accounts Receivable

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MAYO CLINIC AND MAYO CLINIC HEALTH SYSTEM

CHARITABLE, NOT-FOR-PROFIT, ACADEMIC MEDICAL CENTER

In 2024, Mayo Clinic and Mayo Clinic Health System

Ranked Best Hospital and #1
in more specialties than any other hospital in the nation*

$19.8B
revenue
(net and other sources)

71,773 FTEs
Personnel consisting of physicians, scientists, allied health staff, research associates, fellows, residents and students

Operated
22 hospitals in
5 states

Provided essential health care services to more than
5.5M Outpatients
132K Hospital admissions
155K Surgeries

Three destination campuses, one system

ROCHESTER MINNESOTA



JACKSONVILLE FLORIDA



PHOENIX & SCOTTSDALE ARIZONA



MAYO CLINIC HEALTH SYSTEM



To Be or Not to Be

"That is the Question"



Shakespeare:

To be, or not to be: that is the question: Whether 'tis nobler in the mind to suffer the slings and arrows of outrageous fortune, Or to take arms against a sea of troubles, And by opposing end them?



To Deny or Not to Deny

“That is the Question”



Mayo Clinic:

"To deny, or not to deny: that is the question. Whether 'tis nobler in the mind to endure the audits and takebacks of outrageous payers, or to take arms against a sea of claims errors, and by correcting, prevent them?"



Industry Perspective – Why is change imminent?



Providers say claims denials are increasing: survey

Nearly three in four providers surveyed by Experian Health said the number of claims denied by payers shot up between 2022 and 2024.

Providers have a better chance of getting an overturned denial from private payers in the commercial space. Premier Inc. found that private payers overturned over 60% of initial denials. Medicare and Managed Medicaid overturned about 50% of initial denials, while Medicare Advantage overturned nearly 53% and Medicaid about 46%.

Two of Maryland's top three health insurers ranked above the industry average in claims denials in 2023.

Both Blue Cross Blue Shield, known as CareFirst in the region, and UnitedHealthcare deny their beneficiaries' claims for medical procedures and appointments more than other companies in the field.

CareFirst makes up 55% of Maryland's health insurance market share and denied 17% of claims in 2023, according to ValuePenguin, a consumer research site that specializes in insurance.

The industry average is 16%.

UnitedHealthcare denied 32% of claims in 2023 and makes up 9% of the state's market share.

Only 0.2% of denied claims were appealed, indicating a lack of consumer engagement in the appeals process (KFF, 2024).

Industry Perspective – Why is change imminent?



15% of denied services in MA plans would have been covered by Traditional Medicare, reflecting restrictive plan policies (JAMA, 2024).

Recent Medicare data reveals that the industry average for denied claims has reached 17%, with UnitedHealthcare (UNH) showing the highest denial rate at 33%.

Prior authorizations and missing or inaccurate data were the leading reasons for claims denials in 2024, according to the global data and technology firm.

Automation strategy- 62% of hospitals don't automate any part of denials management.

Key Takeaways:

1) Industry average for denied claims stands at around 16%
2) Prior authorization, missing or inaccurate data (delaying payment cycles) are leading reasons
3) Appealing denials is a costly and time-consuming process increasing cost-to-collect
4) Talent shortage & speed to upskill existing workforce is challenging for providers
5) Payers are adopting technologies & algorithms much faster than providers
6) **Providers intervention to denials are delayed, not real time losing ground on opportunities**

Owning our denials, Mayo Clinic continues to realize reduction in the denied count rate

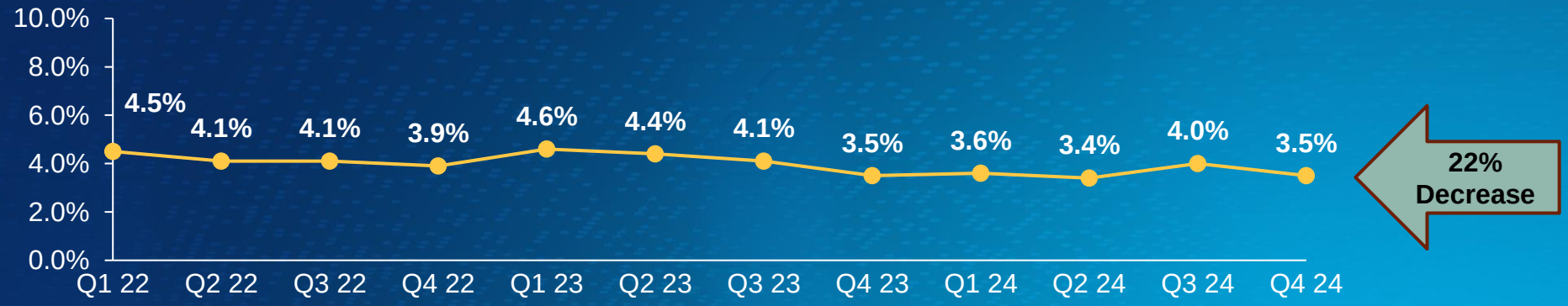
Overall EPIC Pulsar Award Winner
3 years in a row



Mayo Clinic Enterprise-wide
HB Overall Denied Count Rate



Mayo Clinic Enterprise-wide
PB Overall Denied Count Rate



Denial prevention Key Activities and Ownership

Monthly cadence which involves unique but recurring activities that are shared between Operational Areas and Denial Prevention

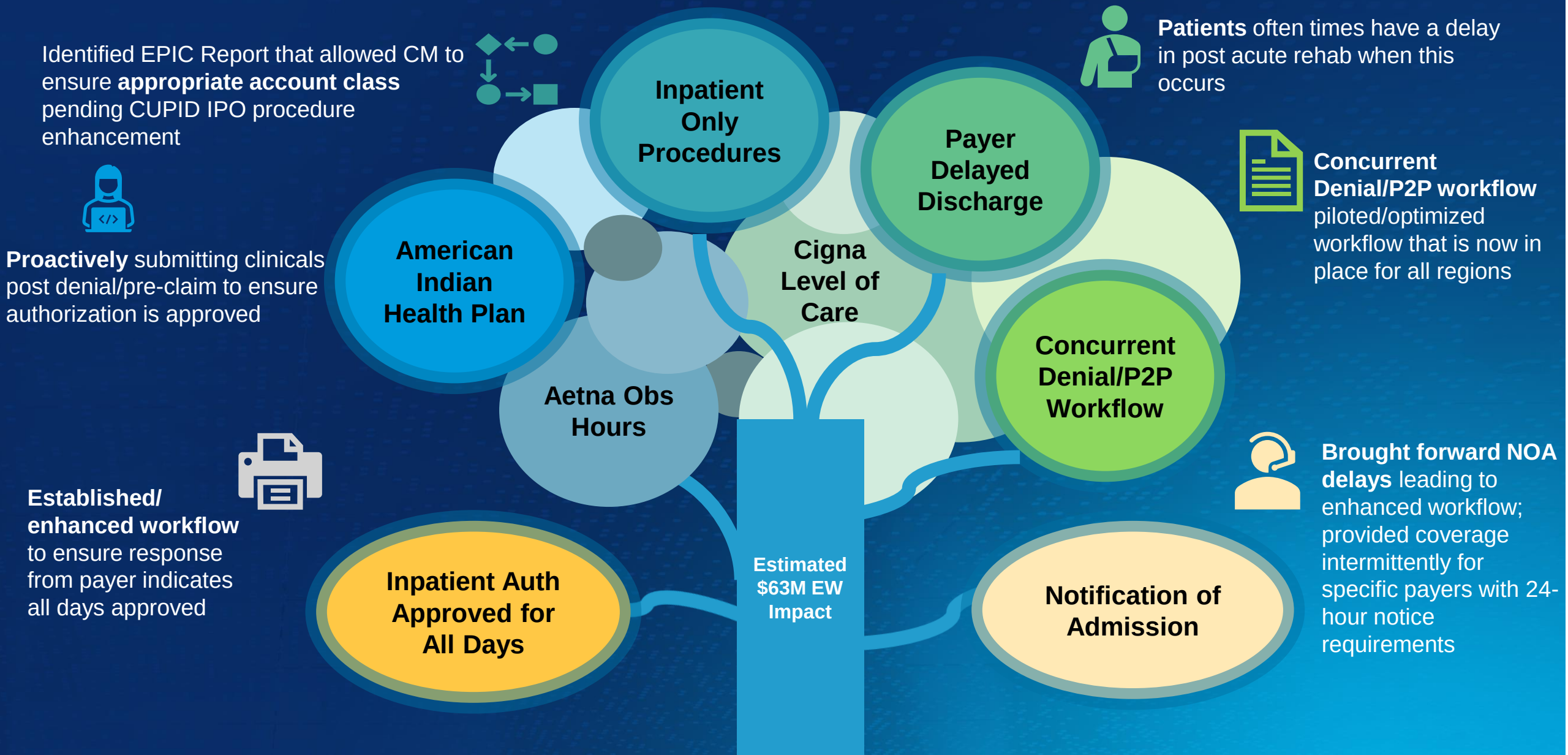
	Trend Escalation and Research	Issue Identification and Solution Design	All Hands Presentation
	Denial Prevention leverages analytics to identify denial trends and escalate to Operational Teams for review	*Operational Leads identify root cause opportunities and develop solutions, with the support of Denial Prevention*	*Denial Prevention and Operational Teams summarize identified opportunities and proposed solutions and provide updates to Mayo Leadership*
Operational Team Activities	• Complete thorough **sampling investigation** to understand root cause issues • **Prioritize identified issues** based on revenue and efficiency impacts	• **Develop people, process, and/or technology related solutions** for identified issues • Collaborate with relevant stakeholders regarding identified opportunities to **evaluate system-wide impact** • Submit Systems tickets and take necessary action to **initiate solution progress**	• **Provide Leadership a summary** of issues identified, proposed solutions, and ongoing solution progress • **Escalate any barriers** to solution implementation or any cross-collaboration opportunities
Denial Prevention	• **Provide denial metric packages and prioritized trends** through packaged workbooks • **Support denial investigation process** by providing additional detail as needed	• **Analyze identified trends for cross-regional or payer/service opportunity** and communicate as necessary • Support business case and solution prioritization process • **Support solution development process** through further impact analysis and strategic insights	• **Prepare All Hands decks** containing denial metrics and initiative summaries • Answer any leadership questions • **Monitor initiative progress and associated revenue generation** through reporting analytics

LEVERAGING ANALYTICAL INSIGHTS TO ENHANCE DENIAL PREVENTION AND DRIVE OPERATIONAL EFFICIENCY



CASE STUDIES

Case Study: AZ Case Management planted the seeds for this $63M tree of opportunity



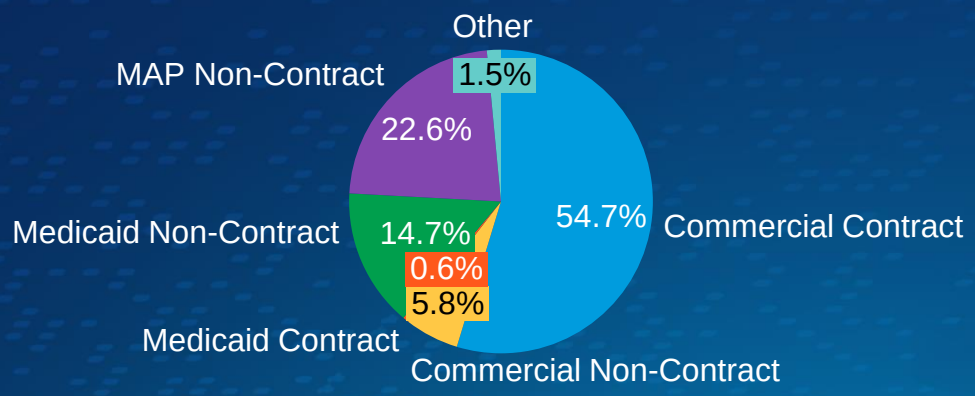
Concurrent Denial/P2P Stop Bill: 82% of accounts stopped by the DNB have been resolved prior to billing

Outcome	Examples	Denial Avoided
Downgraded to Observation (no P2P)	• PA/PFO agreed account class should be changed from Inpatient to Observation- no P2P conducted	Yes
Concurrent denial overturned with additional clinicals	• 24-hour payer timeline to submit clinicals- initial test results may not have been available	Yes
Inpatient status retained (no P2P)	• Avoidable/custodial days/last day(s) not approved • Readmission- must be appealed per policy • Response to concurrent denial appeal received via mail	No
P2P conducted successfully	• Concurrent denial overturned; PA/PFO demonstrated inpatient medical necessity; Inpatient status retained	Yes

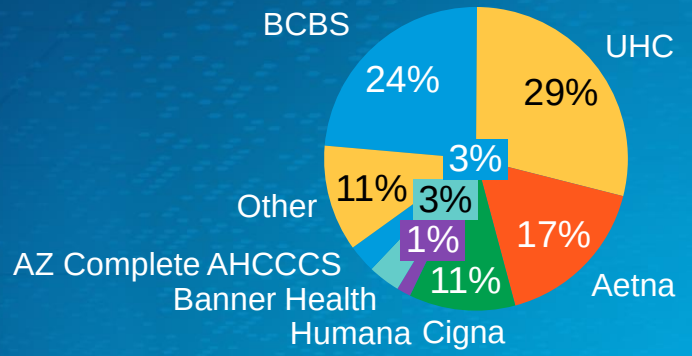
P2P conducted unsuccessfully	• Concurrent denial not overturned
	  • PA/PFO agreed account class should be changed from Inpatient to Observation
	  • PA/PFO did not agree account class should be changed from Inpatient to Observation
		Potential

Status is pending at time of reporting	• Concurrent denial received- status is pending at time of reporting	Potential

Financial Class Distribution By Count

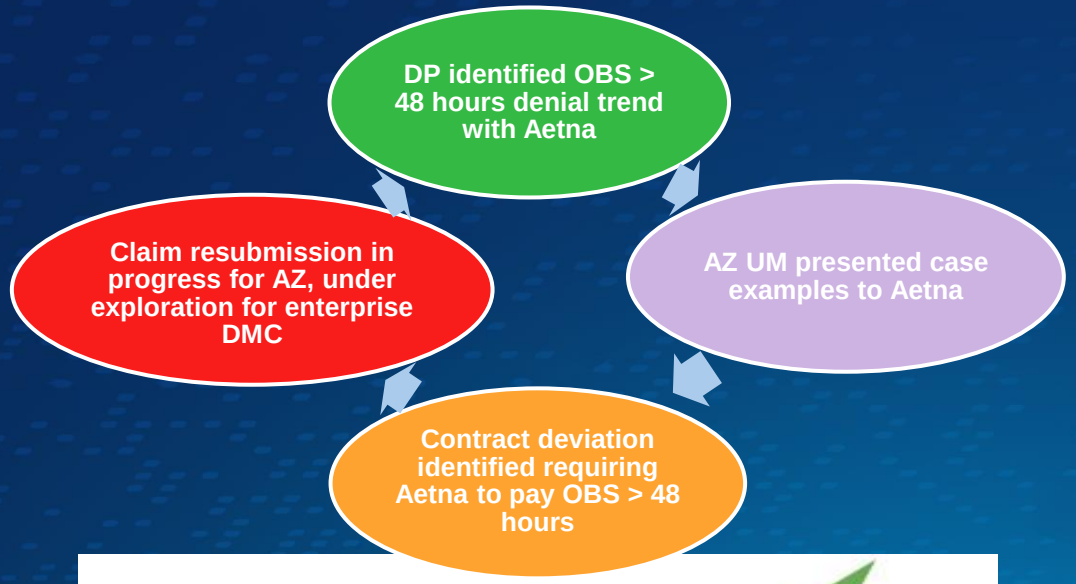


Payer Distribution (All Financial Classes) By Count



Engaging Aetna and internal Payer/Contracting teams has led to contract clarification requiring Aetna to pay observation claims, even when hours exceed 48

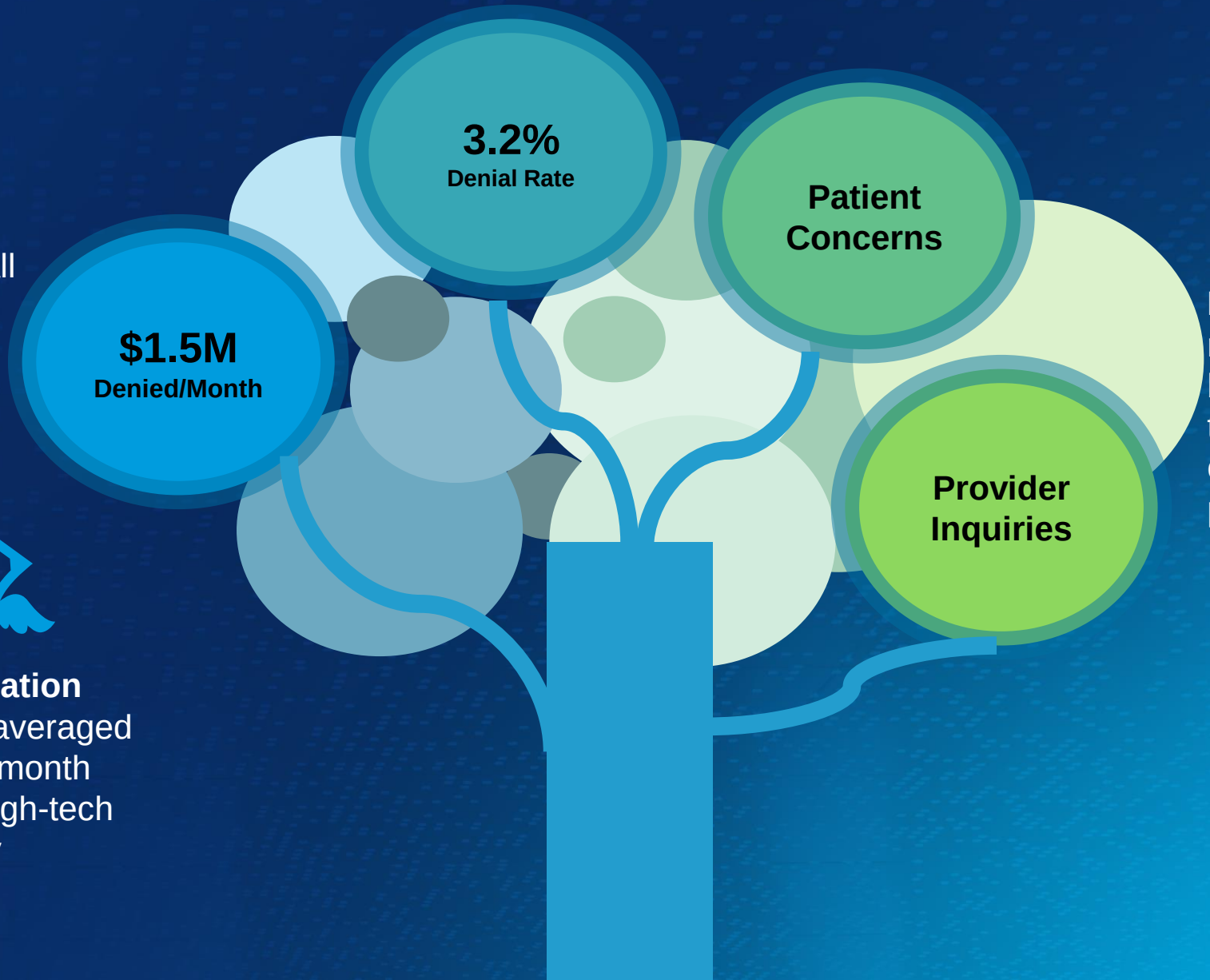
- **Denial Trend Identified**
  - During monthly denial review cadence, Denial Prevention identified a trend specific to Aetna observation denials (e.g., Aetna denied inpatient status, status changed from inpatient to observation, Aetna subsequently issued a partial denial based on hours billed exceeding 48)
- **Avenue to Solution**
  - AZ UM promptly engaged Aetna. Ongoing discussions brought to light a contract deviation, which requires Aetna to process observation claims regardless of the number of observation hours billed
  - This deviation requires manual processing; it was identified staff turnover at Aetna led to errant claim denials
- **Current State**
  - Aetna agreed to reprocess claims for payment





In 2021, Mayo Clinic kick-off focus on high denial rates due to a limited high tech radiology authorization scope

Mayo Clinic only obtained authorizations for PET scans across all service lines and CT/MRIs specific to HemOnc



Authorization denials averaged $1.5M a month across high-tech radiology

Patients oftentimes received **high dollar bills** and were upset- the same messaging came from the practice

In 2022, Rev Cycle invested in additional resources to secure authorization for all high-tech radiology services resulting in a $12M annual denial reduction benefit

High-tech rad denial rate decreased 82% and maintains a < 1.0% denial rate

Establish Team



- Added resources for prior auths
- Updated system to capture additional rad orders

Q1 22

Go-Live & Develop Metrics



- Embedded new workflows
- System update go-live (4.27)
- Report and metric development
- Baseline rates established

Q2 22

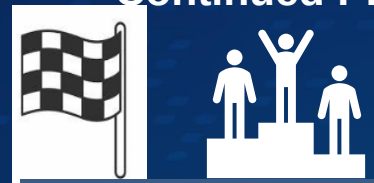
PDCA



- Capture of referrals which auto-authorized prior to 4.27 go-live
- Additional system and process enhancements
- Refresher training for targeted opportunities

Q3 22

Continued PDCA

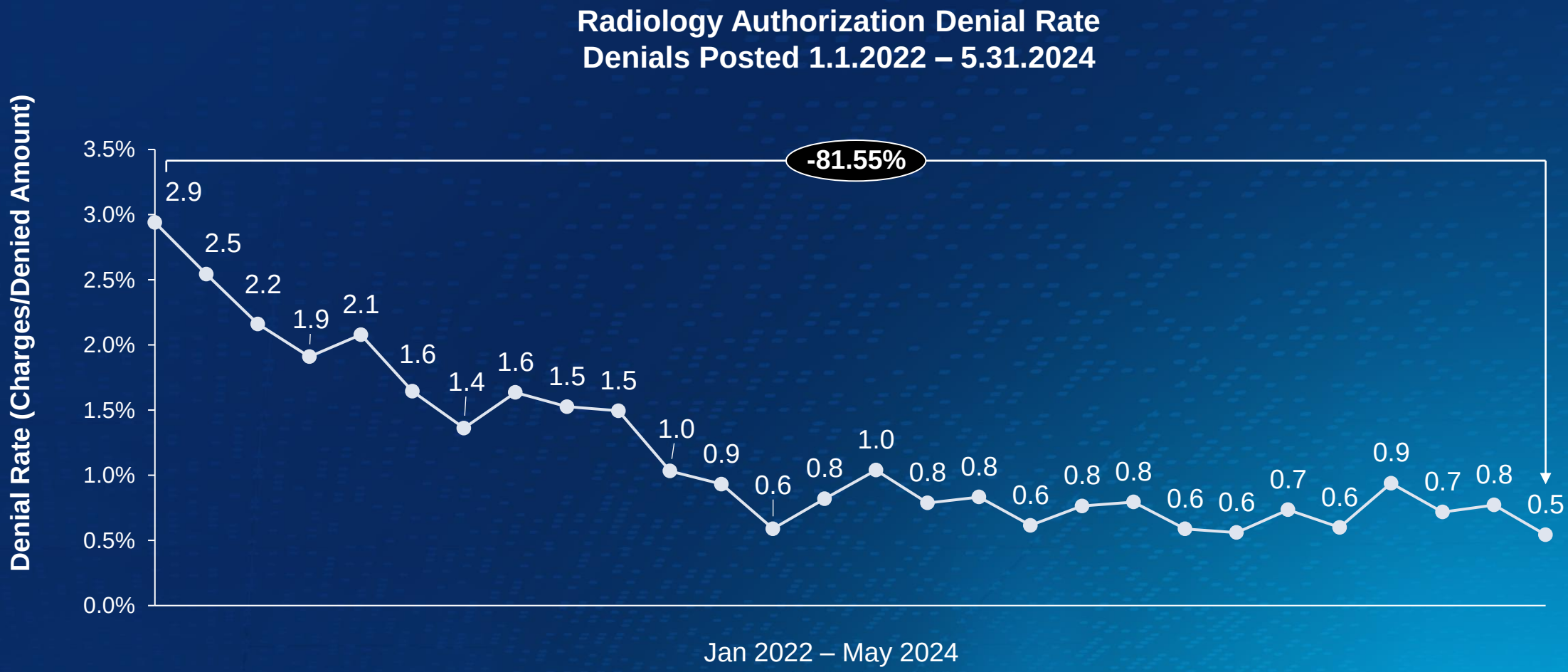


- Engaged Payer teams to address payer issues
- Continued training refreshers for additional targeted opportunities + system enhancements
- Continued to identify nuances and refined system
- Matured analytics and monitoring

Q4 22

**Rate = Rad Auth Denials/Rad Charges*

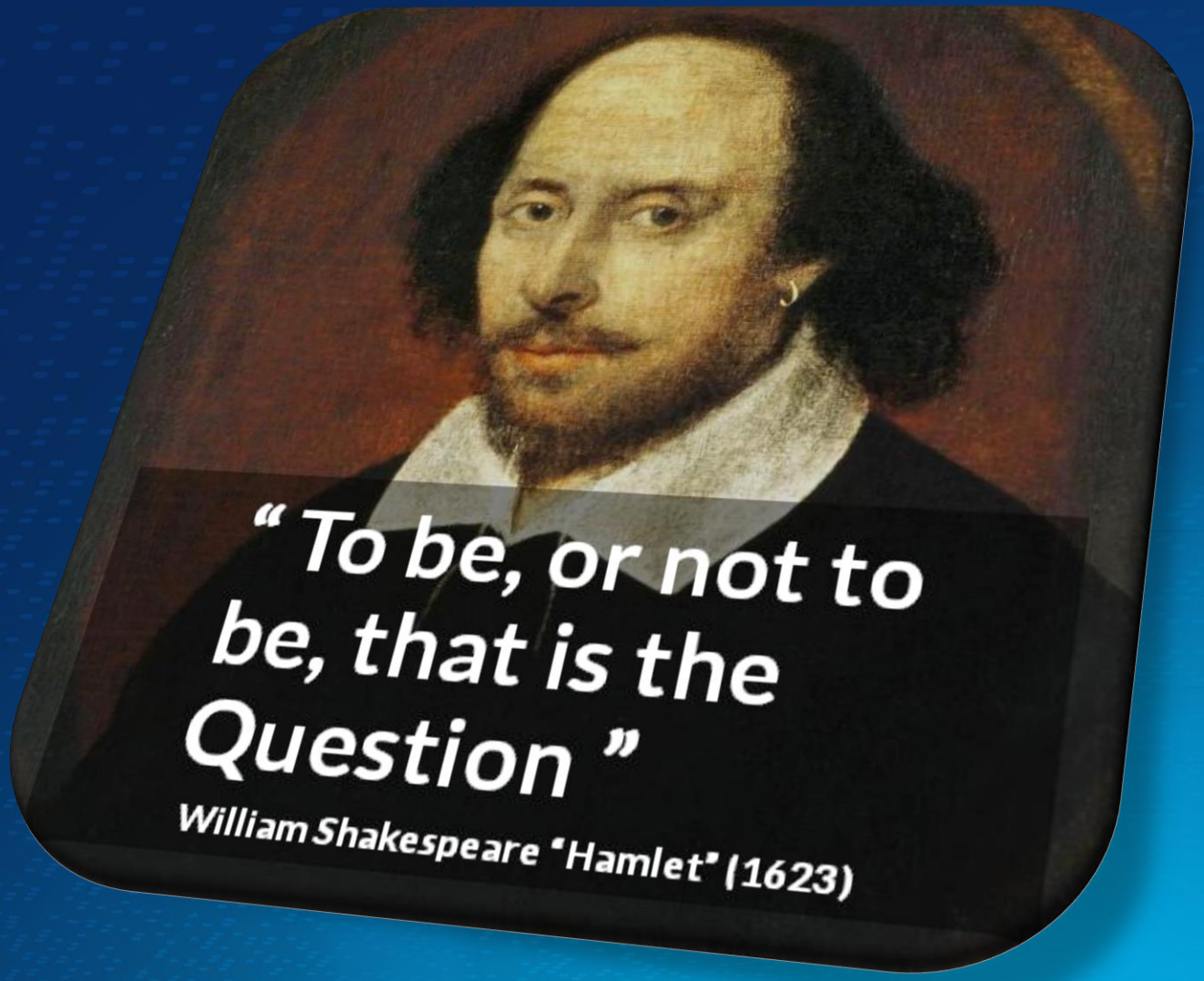
High Tech Rad continues to realize decreased authorization denials and continues to monitor quarterly for remediation opportunities



TO DENY OR NOT TO DENY

KEY TAKEAWAYS

- Trend, Research & Escalation Methods
- Issue Identification and Solution Design
- Communication Models
- Repeat



QUESTIONS & ANSWERS

