Case study

How Schneck Medical Center prevents and triages denials with AI Advantage™

Starting as a 17-bed hospital more than 100 years ago, Schneck Medical Center now serves four counties in Indiana, with a staff of more than 1,000 employees, 125 volunteers and nearly 200 physicians. The organization's vision is to deliver excellence, lead transformation and advance health, underpinned by a patient-first philosophy.

Skylar Earley, Director of Patient Financial Services, and Tammy Etheridge, Supervisor of Patient Financial Services, focus on optimizing revenue cycle management (RCM), particularly around denial management and RCM best practices.

Challenge

Patient Financial Services identified three specific priorities to improve denial management:

Identification: quickly identifying claims with a high chance of being denied, so staff can proactively address them before submission

Mitigation: reducing the impact of denials on the revenue cycle

Prioritization: identifying denials to push to the top of the work queue, based on the likelihood of a return on staff time and effort invested

Resolution

Through their long-running partnership with Experian Health, Schneck Medical Center joined a proof-of-concept project to test and refine two AI-based solutions designed to reduce denied claims and increase reimbursement: AI Advantage™ — Predictive Denials and AI Advantage™ — Denial Triage. With these tools, Schneck sought to proactively identify claims with a high likelihood of denial before being submitted, based on unique historical claims data. They also wanted to know which denials to prioritize for the greatest impact on their bottom line:

> "The challenge we sought to overcome by leveraging AI Advantage at our organization was just gaining more insight into how denials originate and what actions we can take to prevent those from happening."
>
> — **Skylar Earley,** Director of Patient Financial Services

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Before using AI Advantage, the claims management process typically worked as follows:

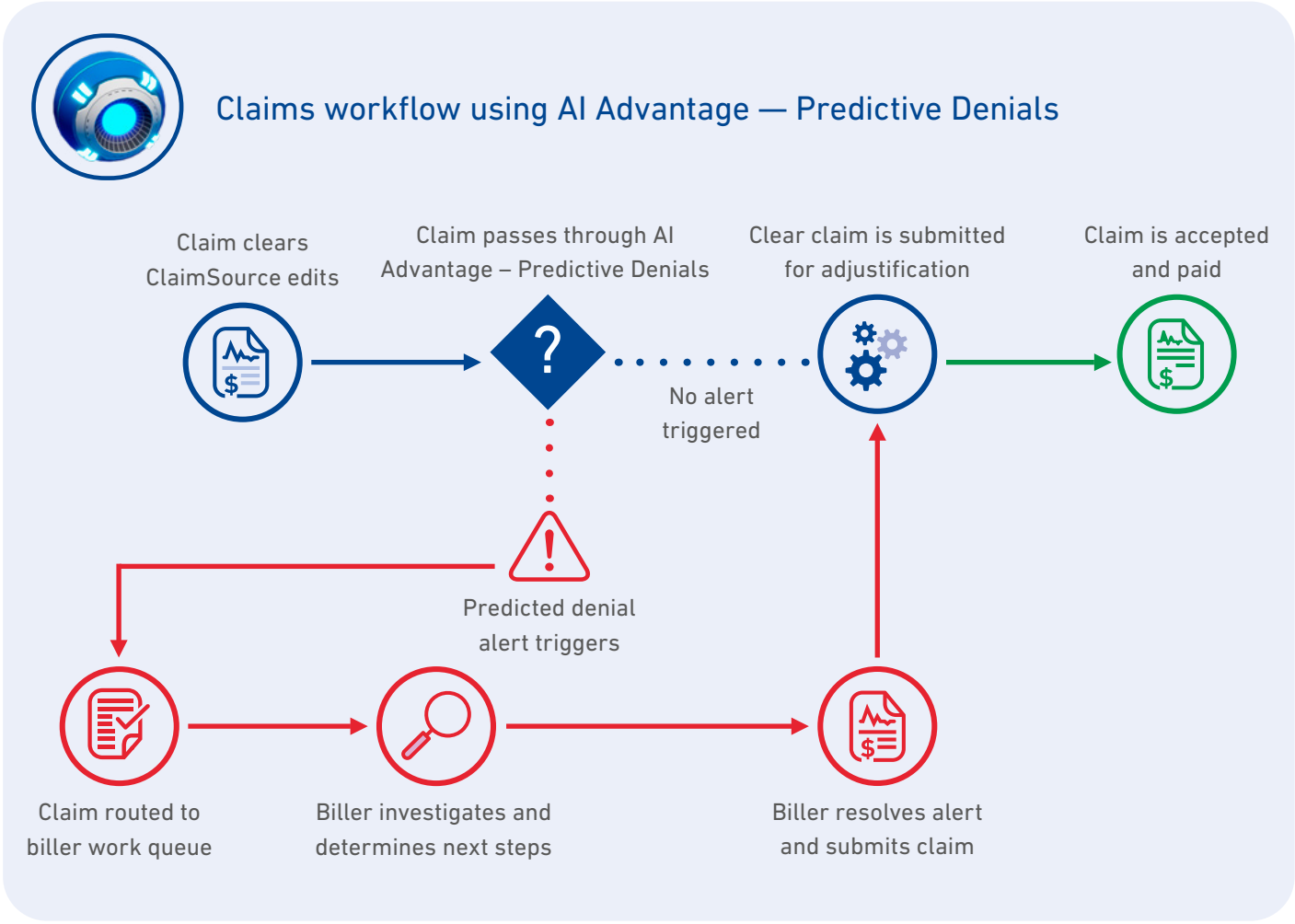
- Claims were scrubbed and edited in ClaimSource® — Experian's automated claim management platform
- Clean claims were submitted to payers for adjudication
- Claims were either accepted and paid by the payer or denied and returned
- Denials were allocated to billers for rework and resubmission

Billers had no insight into which claims had the highest potential for payment and generally focused on highest dollar-value denials first.

Predicting denials before they occur

AI Advantage — Predictive Denials uses AI to predict and flag claims that have a high chance of being denied, so the right specialist can intervene before flagged claims go to payers.

If a claim review exceeds the suggested threshold for denial probability, an alert is triggered, and the flagged claim is automatically routed to the appropriate biller. The biller investigates the alert to understand what changes are needed. This might include checking insurance eligibility, reviewing coding errors or reviewing authorization status. Once the alert is resolved, the claim can be automatically resubmitted.



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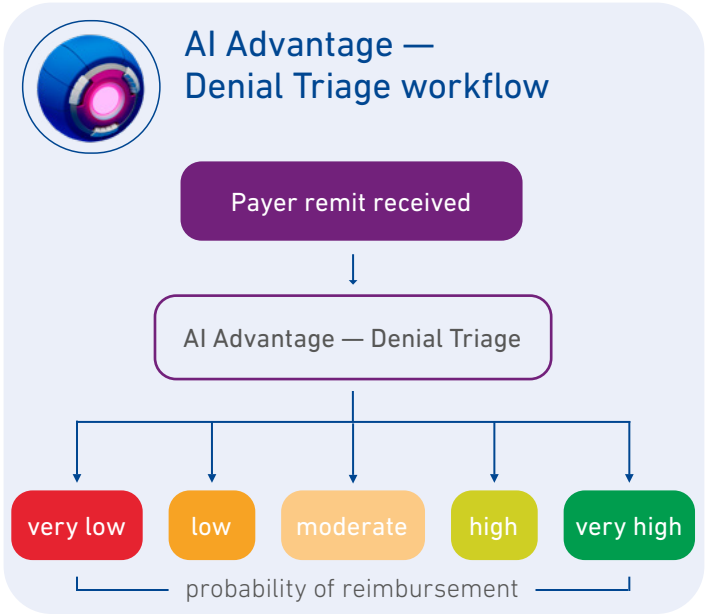
Triaging denials to maximize revenue

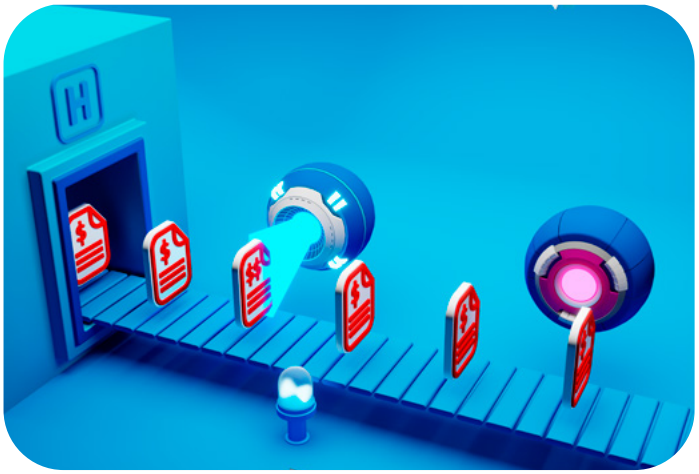
Preventing denials is just the first step. Inevitably, some claims will be denied, but not all denials have the same potential for revenue reimbursement. With AI Advantage — Denial Triage, Schneck can automate the decision-making about which denied claims to prioritize so they can maximize recovery efforts.

The triage process starts with identifying between 2 and 10 denial segmentation categories based on likelihood of reimbursement. Schneck chose to identify 5 categories to start. Individual remits are evaluated and automatically assigned to the appropriate category, so they can be routed to the correct specialist. The tool integrates seamlessly with ClaimSource and health information system workflows, so decisions are based on real-time data.

The combination of proactive and reactive solutions delivers even more powerful results from the core solution, ClaimSource.

To prepare for AI Advantage, Schneck collaborated with Experian Health to identify top denial claim adjustment reason codes (CARCs) and allow the AI model to tune itself to Schneck's unique historical claims and remit data. With a continuously learning AI model, the tool can detect payment pattern changes by payers to maintain accuracy and precision. Staff can also customize segmentation criteria.





Results

AI Advantage — Predictive Denials

In the first six months, AI Advantage helped Schneck achieve a 4.6% average monthly decrease in denials. While slightly more time was spent on claim submission overall, the time spent on denials decreased by 4x. The team estimates that claims flagged with a predictive alert can be worked in about 3–5 minutes, which is significantly quicker than the previous approach to error correction, which took 12–15 minutes per correction.

The suggested thresholds determined by AI Advantage have been found to be highly accurate, leading to efficient reworking of claims prior to submission. Staff responded positively to the tool, describing it as intuitive and requiring very little training. Billers appreciate that existing workflows can remain in place, but with improvements thanks to the new predictive denial capabilities. AI Advantage — Predictive Denial alerts don't disrupt the broader claims workflow.

Predictive alerts help team members to make informed decisions before the claim is submitted.

AI Advantage — Denial Triage

Billers have also seen improved decision-making through AI Advantage – Denial Triage. Billers can focus their attention on specific segments and prioritize denials based on probability of reimbursement, rather than wasting time on high-dollar claims that are unlikely to be paid.

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> "We had no insight into whether we were performing value-added work when we followed up and worked denials. Now we see those percentages."
>
> — **Skylar Earley,** Director of Patient Financial Services

At Schneck, clinical leadership is engaged in the denials management process, as the analytics and reporting features offer a clear view of the value added by working denials.

Weekly calls to Experian Health to track progress and feedback on product performance have enabled improvements, such as identifying and removing unnecessary alerts and improving alert specificity.

What's next?

Looking ahead, Schneck intends to continue learning from the insights generated by AI Advantage so they can maximize reimbursement and reduce time spent working denials. By identifying recurring themes, they hope to find further ways to improve revenue cycle processes to prevent denials from occurring in the first place.

Skylar predicts, "We'll turn our focus toward our front-end processes and begin to invest more here. That way, mistakes don't flow downstream. Claim problems can be caught prior to, or at the same time, services are rendered.

Billing representatives spend less time researching and appealing denials and more time tackling accounts receivable, with the bigger-picture possibility of reducing collections and bad debt expenses.

Discover how ClaimSource and AI Advantage help healthcare organizations predict and prevent claim denials.

About Experian Health

Hospitals, health systems, physician practices and specialty groups have come to rely on Experian Health for revenue acceleration and productivity gains through automation, cleaner claims submissions, fewer underpayments and a reduced cost to collect.

ClaimSource can improve revenues through reduced denials. Its scalable automation delivers increased operational efficiencies and effectiveness by prioritizing claims, payments and denials so that users can work the highest impact accounts first. Through ClaimSource, users get complete accountability across the entire claim lifecycle. Services and support are provided by experienced, claims-specific experts.

AI Advantage — Predictive Denials leverages client claims data to proactively identify claims with high likelihood of denial — before claim submission — so that teams can take corrective action. This can lead to a reduction in denials and increased revenues.

AI Advantage — Denial Triage identifies and segments denials by potential value so that teams can focus on remits that have the most impact to their bottom line.

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