

Charting the Course: Expedition into COB Denials

Discovering Proactive and Reactive Strategies for Seamless Navigation



August 16th, 2024

Derek Johnson, Sr. Director RCM

Crystal Koehn, Manager Self-Pay



1

Agenda

1. Presentation overview
2. COB trends
3. Phase I: identifying the issue
4. Project objective
5. Developing new workflow
6. Root-cause analysis
7. Phase II: getting upstream
8. Reimagining the patient experience
9. Results



© 2024 R1 RCM Inc. All Rights Reserved. Proprietary and Confidential Information. 2

2

Presentation overview

Providence Health is a \$27B multi-state, not-for-profit health system primarily based on the West Coast. R1 partners with Providence to improve revenue cycle outcomes.

This presentation will provide attendees with practical strategies to address challenges posed by payers and patient COB denials. Industry experts will share experiences in leveraging partnerships and patient cooperation to convert patient liability into cash. Discover innovative approaches to clean up self-pay accounts receivable, enhance revenue recovery and proactively manage patient liability. Gain actionable steps to optimize COB denial processes, leading to increased reimbursement and streamlined operations. Learn from a multi-state health system's success in handling COB denials through alternate patient engagement strategies. Empower your revenue cycle team with practical takeaways to unlock revenue potential and improve patient financial experiences.



© 2024 R1 RCM Inc. All Rights Reserved. Proprietary and Confidential Information. 3

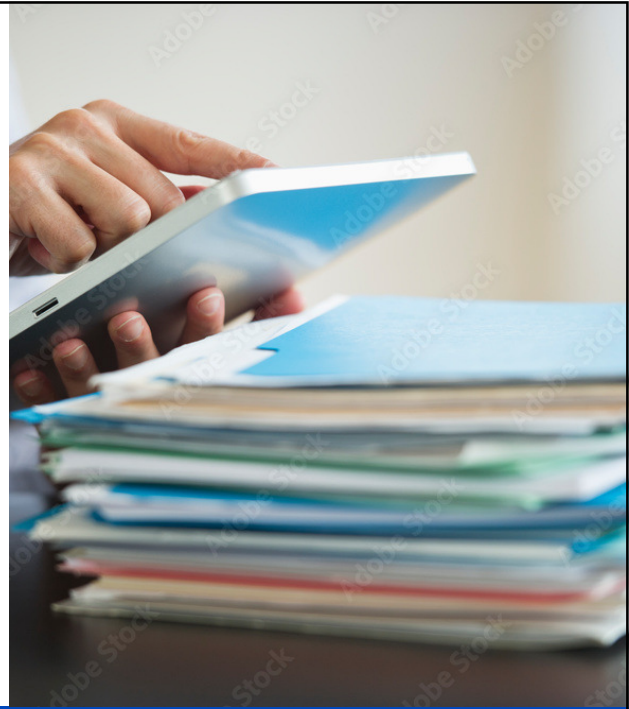
3

Coordination of benefits, the basics

A process used by insurance companies

- Determines primary and secondary payer
- Occurs when a patient has multiple insurance plans
 - Examples: dual coverage, dependent coverage, Medicare and employer coverage, accidents or injury (motor vehicle accident), overlapping coverage, and expired coverage
- Meant to ensure each plan pays its fair share
- Maximizes use of insurance coverage

Insurance companies vary on how strictly they require a patient to provide a COB form.



4

Trends impacting the COB denial landscape

General industry sentiment that COB denials is a growing trend

Contributing factors include:

- Increased scrutiny and automation used to process denials by insurers
- Complexity in multi-payer systems: As healthcare systems become more complex with multiple payers involved, coordinating benefits accurately becomes more challenging
- More patients seeking out-of-network care
- Payers requesting signed COB forms from patients, even when a valid one is on file

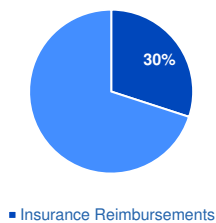


5

Phase I: identifying the problem

Project History

Bad Debt Recoveries Analysis



Developed two queries to optimize self-pay for insurance recoveries

- Self-pay balance = total charges and primary fin class <> self
- Uninsured newborns



Project Timeline

- Project started in October 2022



6

Project objectives



Increase insurer collections

- Previous performance was not meeting expectations
- Baseline \$850K/month
- High-balance, unpaid COB denials billing to patients
- Increased uncompensated care



Decrease wait time

- Focus on high-ROI calls
- Commercial insurance



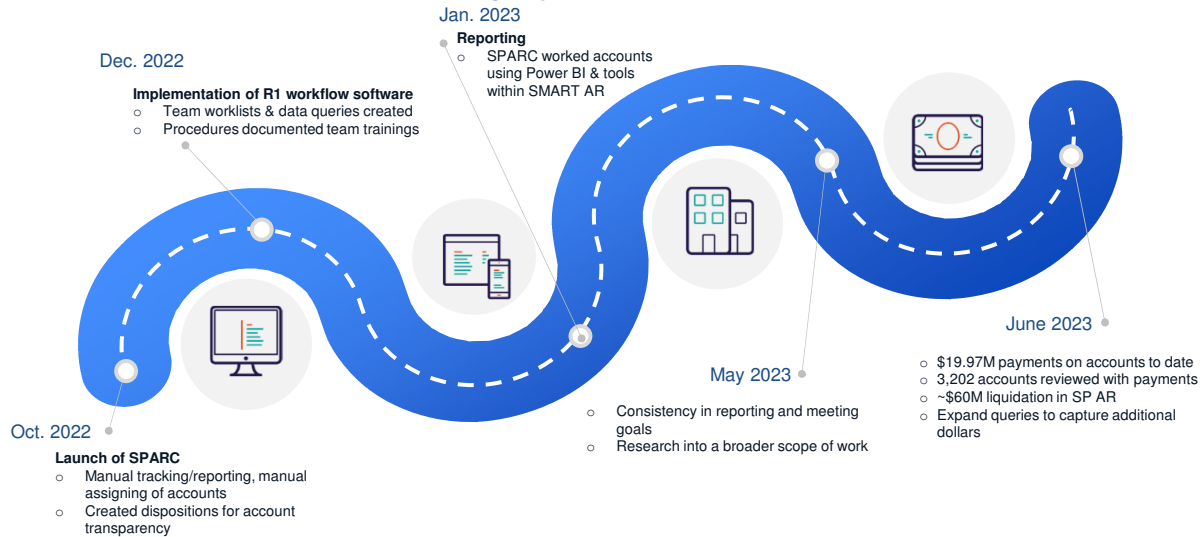
Improve patient experience

- Often a confusing and stressful subject matter
- Patients often need assistance navigating the COB process



7

Phase I: developing a workflow to prioritize insurance collections from the self-pay receivable



8

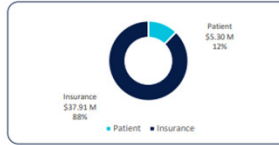
Phase I: results

Project history to date

Targeted Account Populations

- SP Balance = Total Charges
- Uninsured Newborns
- TPL Processing Fallout
- Guarantor Mismatch
- Aged Patients without Medicare
- Eligibility Denials
- Insurance Lacks Info Denials
- COB Denials
- Potential Medicaid

Payment Source Distribution



2024 Average Payment per Worked Account

Month	# of Accounts	Average Payment
Oct-23	526	\$ 6,095
Nov-23	561	\$ 4,128
Dec-23	353	\$ 4,352
Jan-24	442	\$ 4,624
Feb-24	344	\$ 4,567
Mar-24	349	\$ 3,716
Apr-24	375	\$ 4,325

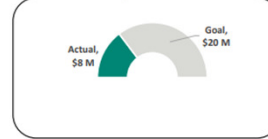
Goal: Deliver \$50M in Net Revenue by YE 2024



2023 Actual to Goal



2024 Progress to Goal



Worked Accounts w/Pmt	Total Charges for Paid Accounts	Total Payments on Paid Accounts	Payments as Percent of Total Charges (Avg)	Average Payment per Worked Account
8,046	\$141.58 M	\$43.21 M	35.83%	\$ 5,370

8046 Accounts worked have been paid - \$43.21M in Net Revenue
 Patient Yield Improvement - Self-Pay A/R reduced by \$141.58M
 Payments as a percentage of Total Charges in line with estimating model (36% Cash to Gross)



Report Date
4/24/2024

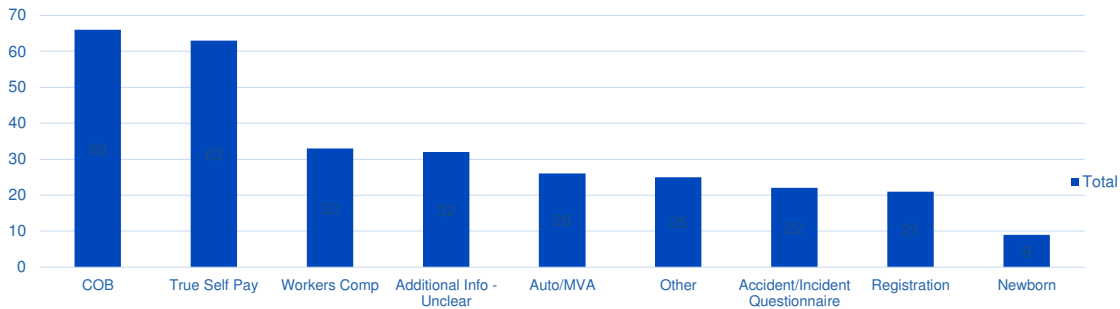
Digging deeper into the root causes

Project history

Random sample — 10% of accounts

COB, patient liability, workers' comp and general billing follow-up represent highest areas of opportunity

Root Causes — Paid Accts*



*Represents volume of accounts

Phase II: moving further upstream

The success of the Phase I project lead our CRO to challenge our team to take over COB denial work from the insurance follow-up team.

- Initial focus was primarily on COB denials and expanded to all denial types requiring patient engagement
- New expectation was to increase our channel communications to include SMS and email
- 60-day turnaround time SLA before placing the account to an external vendor
- Using R1 software created new work queues, exclusive to the previously created self-pay queries



© 2024 R1 RCM Inc. All Rights Reserved. Proprietary and Confidential Information. 11

11

Reimagining the patient experience

SMS messaging and emails

- Concise and rapid communication with hyperlinked phone number to contact a caregiver
- Click-to-call functionality
- Utilization of linked form within emails to conduct outreach to patients and obtain real-time feedback

Specialized phone queue

- Patient-located callback number with appropriate area code
- Circumvents general customer service
- Connects with live employee trained specifically for COB denials

Reducing patient action

- Direct contact with insurer to understand denial and gather (or complete, if possible) any action items
- Identify denials that require medical records for claim processing
- Minimize family interaction in cases of death

Three-way calling

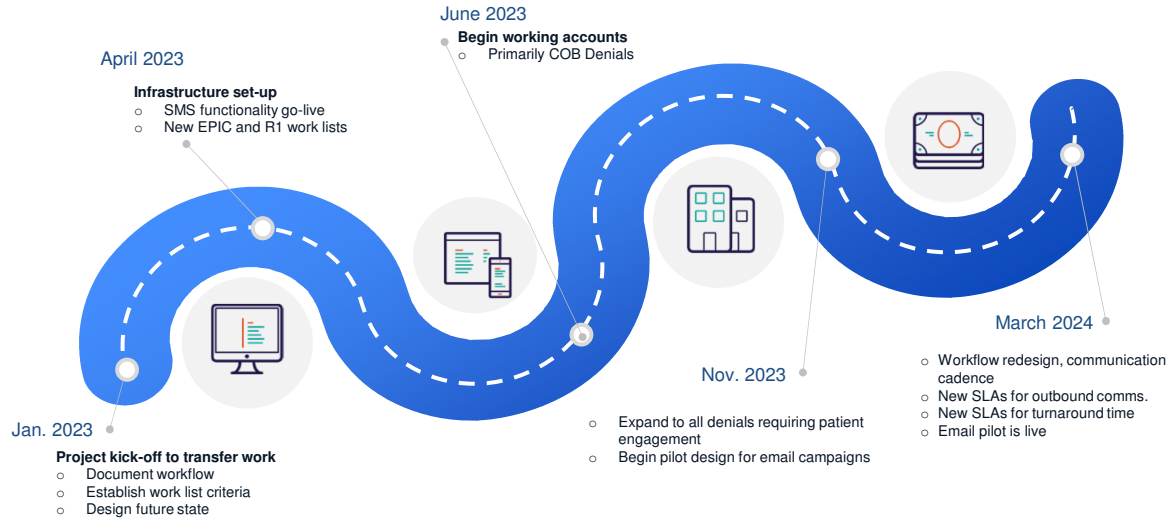
- Facilitate conversations with patient/insurer
- Highest possible ROI (\$ and satisfaction)



© 2024 R1 RCM Inc. All Rights Reserved. Proprietary and Confidential Information. 12

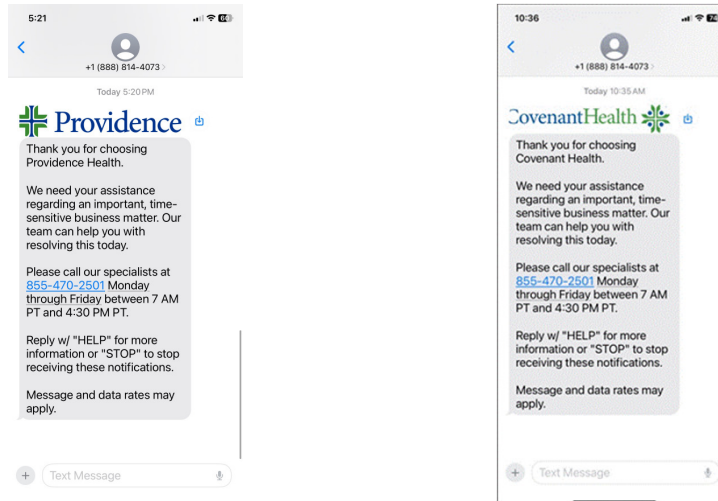
12

Phase II: adding workflow to include insurance AR follow-up for the self-pay team



13

Reimagining the patient experience



14

Reimagining the patient experience

Previous Process

- One Automated Letter
- 1-2 Blast Dial attempts
- Inbound calls to general customer service line
- Placement to vendor
- Drop to self-pay
- Transfer to bad debt

Reimagined Process

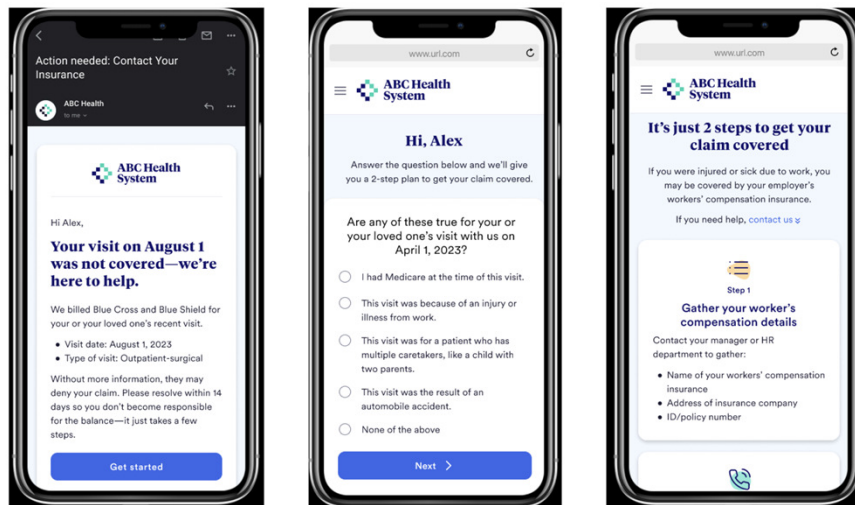
- Multi-channel communications
- Updated communications cadence (below)
- Person to person calling
- Dedicated inbound line
- 3-way calls with insurance

\$5,000 - \$50,000	Over \$50,000
Day 1 - SMS	Day 1 - SMS
Day 8 - SMS	Day 4 - Email
Day 15 - Email	Day 8 - SMS
Day 22 - Email	Day 11 - Email
Day 29 - Email	Day 15 - SMS
Day 36 - Email	Day 18 - Email
Day 42 - SMS	Day 22 - SMS
Day 49 - Certified Letter	Day 25 - Email
Day 56 - SMS	Day 29 - Phone Call
	Day 32 - SMS
	Day 39 - Certified Letter
	Day 45 - SMS
	Day 52 - Phone Call



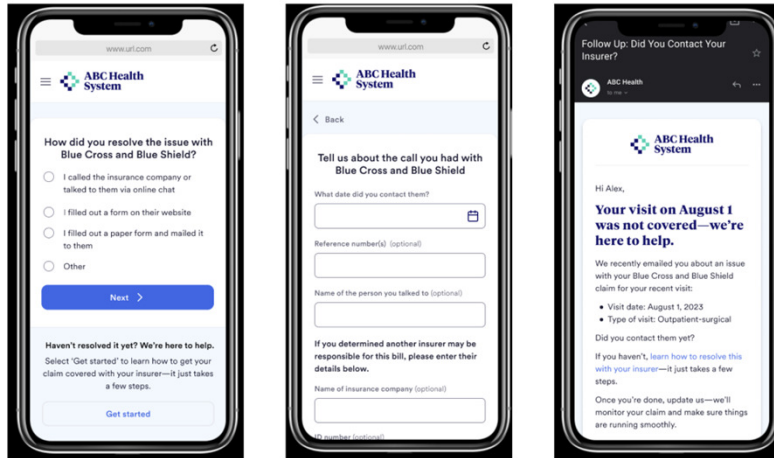
15

Reimagining the patient experience



16

Reimagining the patient experience



© 2024 R1 RCM Inc. All Rights Reserved. Proprietary and Confidential Information. 17

17

Patient feedback

In November 2023, we rolled out post-call surveys and updated scripting

- 100% positive feedback
- 100% Likelihood to Recommend our organization (Top Box Score)
- 100% Representatives Explanation of Next Steps

“The providence representative, Britney completed a 3- way call with my insurance provider directly to resolve the issue in real- time so that I did not end up being the go- between. The issue was resolved immediately, saving us all time and frustration.”

- Patient's Confidence in Claim Resolution increased by 34%
- Patient's ease of resolution after communication 84%



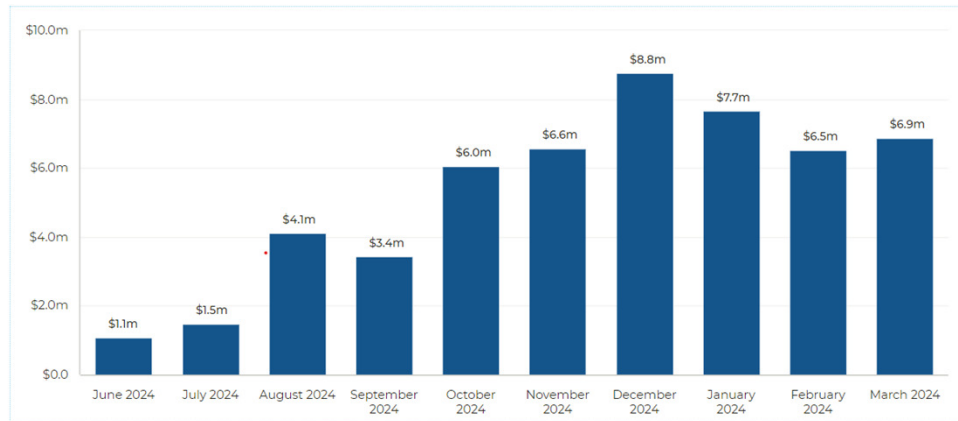
© 2024 R1 RCM Inc. All Rights Reserved. Proprietary and Confidential Information. 18

18

Phase II: results

Project history to date

Total COB collections (June 2023–Dec 2023) = \$31.4M



— Baseline collections



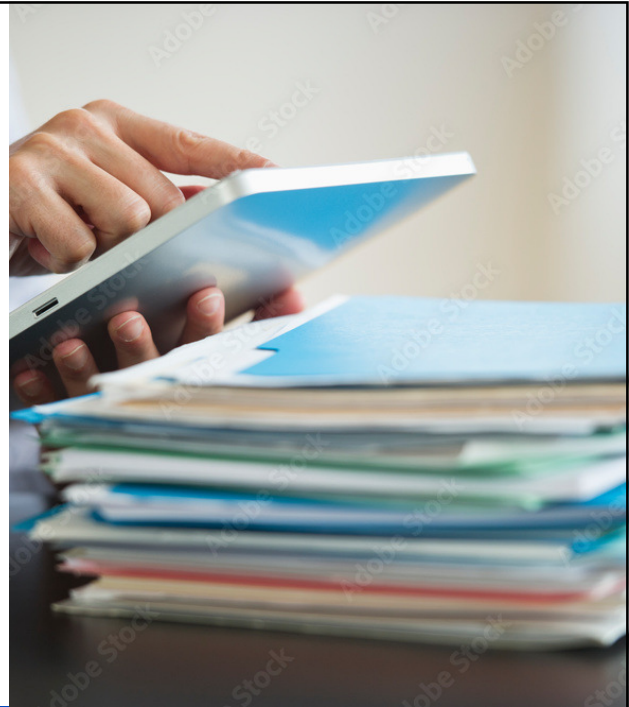
© 2024 R1 RCM Inc. All Rights Reserved. Proprietary and Confidential Information. 19

19

Future opportunity


Getting more proactive upstream vs. reactive follow-up

- Piloting a project for newborns
- Potential opportunity for COB letters up front (certain payers and service types)
- More self-service




20

Thank you for your time!
Questions?



The image shows two women in a modern office setting. One woman, wearing a light pink blouse, is pointing at a computer monitor. The other woman, wearing a teal top, is looking at the screen with interest. In the background, another person is visible working at a desk.



© 2024 R1 RCM Inc. All Rights Reserved. Proprietary and Confidential Information. 21

21

Special feature slide one with half page image and callout treatment
text bold highlight headline 24
point lorem ipsum dolor sit amet
consectetur adipiscing.



The image depicts a business meeting taking place on a modern, multi-level staircase. Three people are seated on the steps: a woman in a white lab coat, a man in a dark suit, and another man in a light-colored shirt and tie. They appear to be engaged in a discussion, with one man holding a laptop.



22