



COLLEGE of AMERICAN  
PATHOLOGISTS

# Collect Data to Fight Increased Denials and Documentation

Juanita Evans, MD, FCAP

Al Sirmon, Pathology Practice Advisor, LLC Owner

Diana Richard, Senior Director, Pathology and Strategic  
Development, XiFin Inc.

Stephanie Denham, CPA, AVP, RCM System and Analytics, XiFin Inc.

May 2, 2023

# Juanita Evans MD, FCAP

- Vice Chair – Practice Management Committee
- Member: Diversity, Equity and Inclusion Committee
- Medical Director of Ascension Providence Novi
- AP/CP Board Certified with Hematopathology Fellowship



# Disclaimer

**The information presented today represents the opinions of the panelists and does not represent the opinion or position of the CAP.**

**This should not be used as a substitute for professional assistance.**

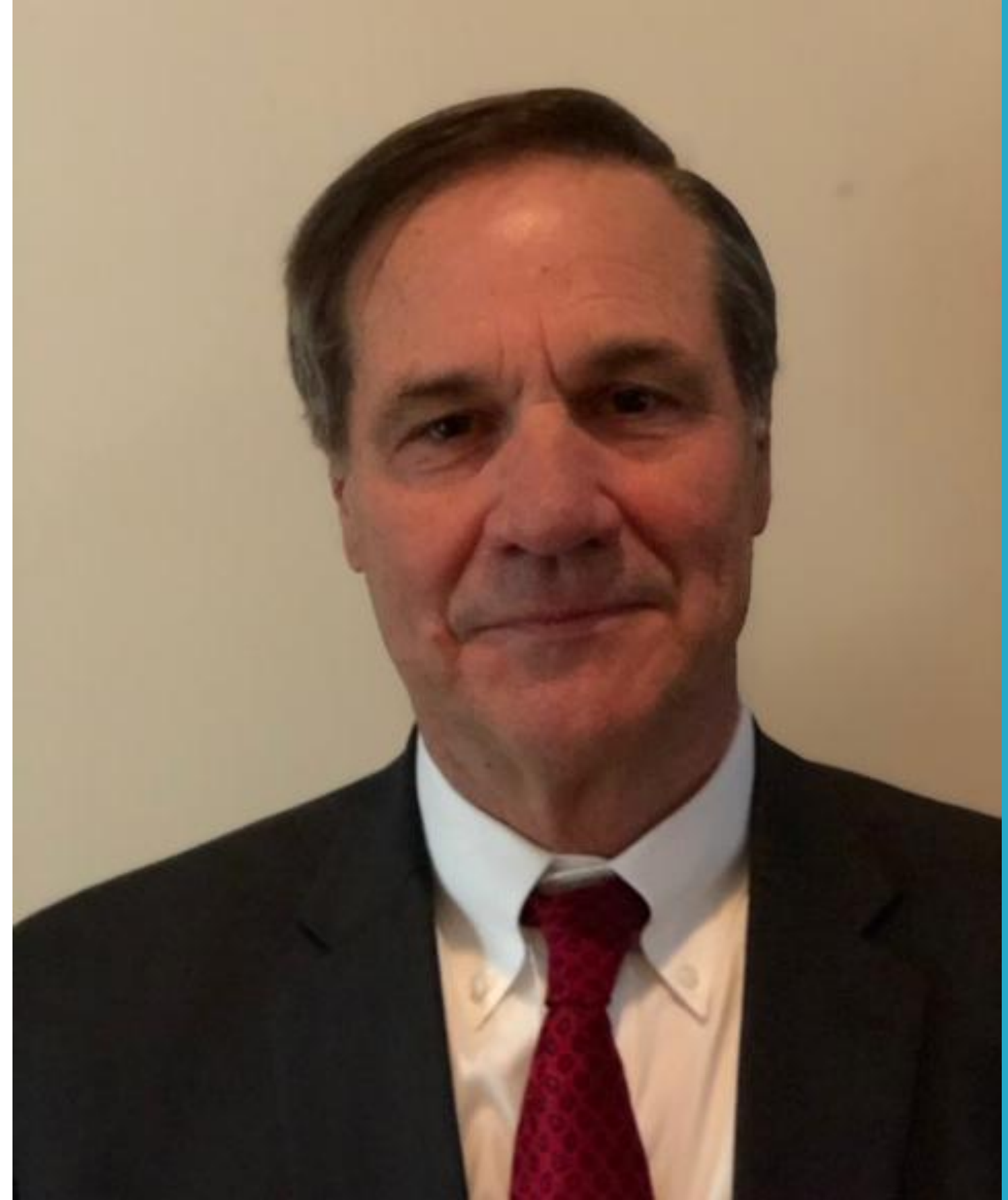
**The information in this presentation is provided for educational purposes only and is not legal advice.**

# Topics for Today's Discussion

- How do we monitor denials
- Which payers are denying claims
- What are the reasons claims are being denied
- What can we do to prevent denials
- What do we do once a claim is denied

# Al Harrison Sirmon, Pathology Practice Advisor

- Member – Practice Management Committee
- Pathology Practice Advisors, LLC Owner
- Pathology Service Associates, Inc. President of a Pathology Only Billing Company
- CPA in Public Practice Prior to 1988



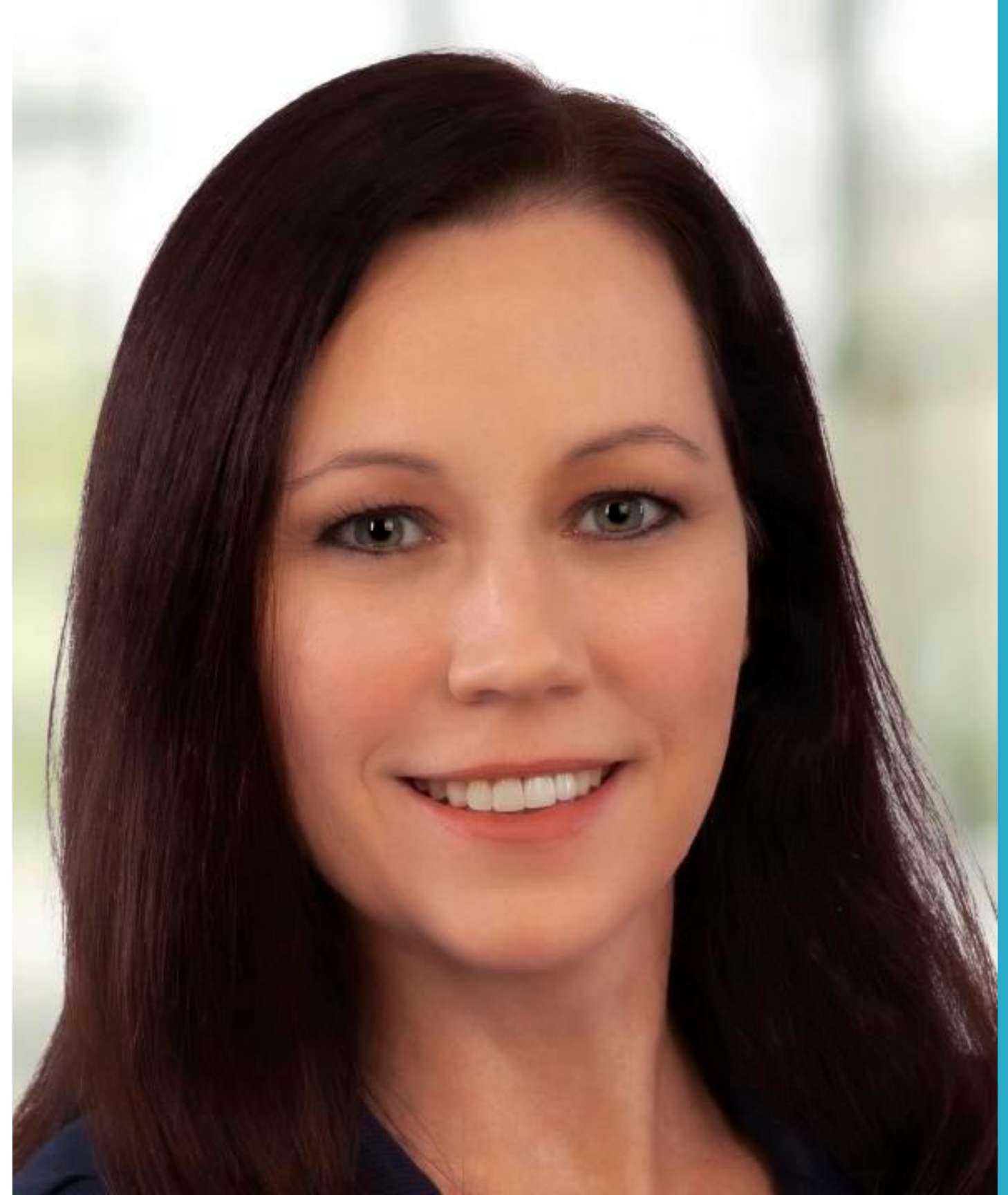
## **Diana Richard, Senior Director, Pathology and Strategic Development, XiFin Inc.**

- **Over 17 years of experience in pathology billing**
- **Anatomic Pathology Subject matter expert**
- **Maintains strategic-support role for XiFin's anatomic pathology customers**
- **Facilitates routine data studies of reimbursement trends, publishing outcomes through presentations, webinars, blogs, and conference posters**



## **Stephanie Denham, AVP, RCM System and Analytics, XiFin Inc.**

- **Over 20 years of experience in finance and revenue cycle management**
- **System, Reporting, and Analytics expert**
- **Facilitates cross-customer analyses on productivity metrics, and utilization of system functionalities, to help drive opportunities in product development and functionalized workflow.**

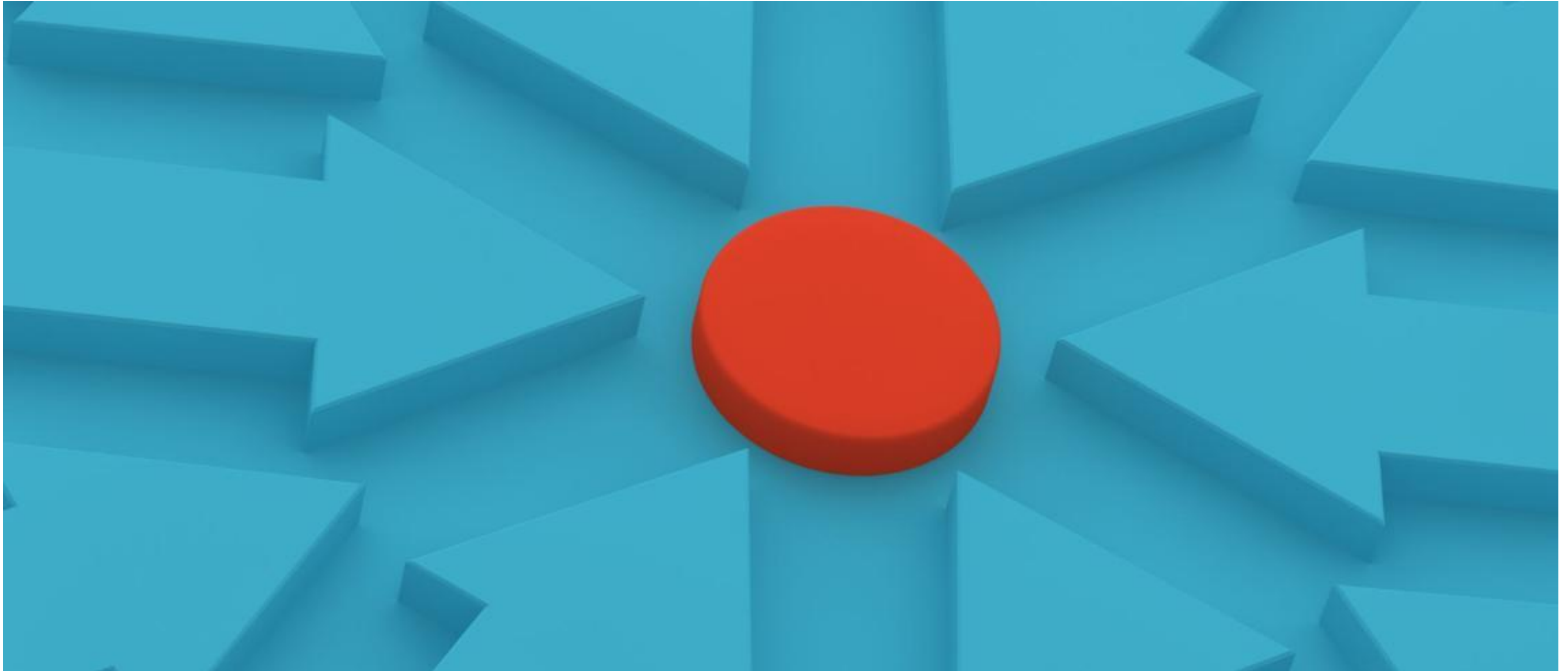




COLLEGE of AMERICAN  
PATHOLOGISTS



# Trends in Denials



# Top Denial Reasons



CO151

Payment adjusted because the payor deems the information submitted does not support number or frequency of services



CO252

Claim will be reconsidered when additional claim information is received



CO96

Non-covered charges



CO50

Non-covered services because this is not deemed a 'medical necessity' by the payor



CO55

Experimental/Investigational, when a procedure code is billed with an incompatible diagnosis for payment purposes, and the ICD-10 code(s) submitted is/are not covered under an LCD or NCD

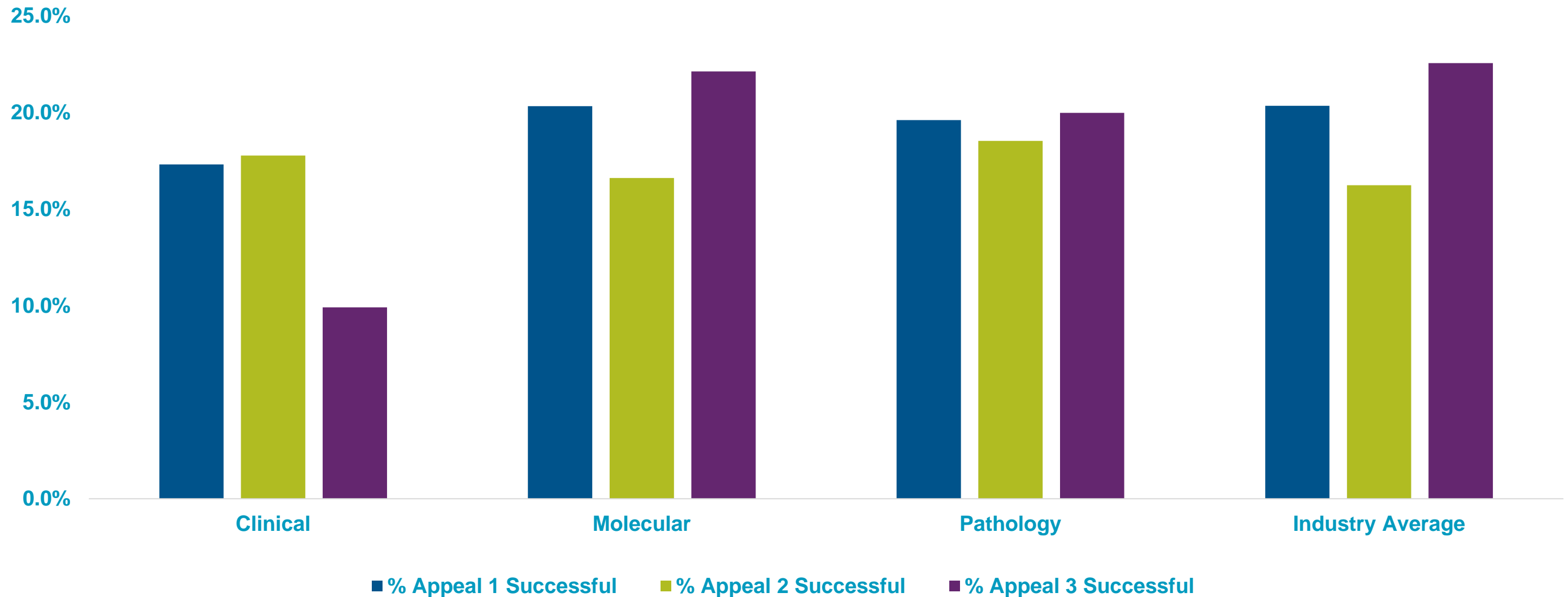
# Top Denial Reasons: Anatomic Pathology

Denial Type	Pathology % of Total Denied 2018	Pathology % of Total Denied 2021	Variance (% change 2021 vs. 2018)
Prior Authorization	28.9%	36.1%	24.6%
Duplicate Denial	21.5%	21.2%	-1.9%
Non-Covered	14.1%	10.1%	-27.7%
Services not Provided By Network/Primary Care Provider	8.8%	8.5%	-3.4%
Procedure not Paid Separately	4.4%	5.1%	15.9%
Services not Authorized by Network/Primary Care Provider	3.6%	3.8%	5.6%
Procedure Code Inconsistent with the Modifier Used or a Required Modifier is Missing	1.5%	3.3%	120%
Coverage Terminated	2.2%	2.6%	18.2%
Coordination of Benefits	3.8%	2.4%	-34.2%
Patient Cannot be Identified	3.1%	2.3%	-25.8%
Remark Code	5.9%	2.1%	-64.4%
Experimental Investigational	1.0%	1.2%	20.0%
Benefit Maximum Reached	0.4%	1.0%	175%
Patient Enrolled in Hospice	0.4%	0.1%	-75.0%
Incorrect Payor	0.0%	0.1%	100%
Service not payable per managed care contract	0.2%	0.0%	-100%

# Success Rate of Appeals by Segment



## Success Rates of Appeals by Segment



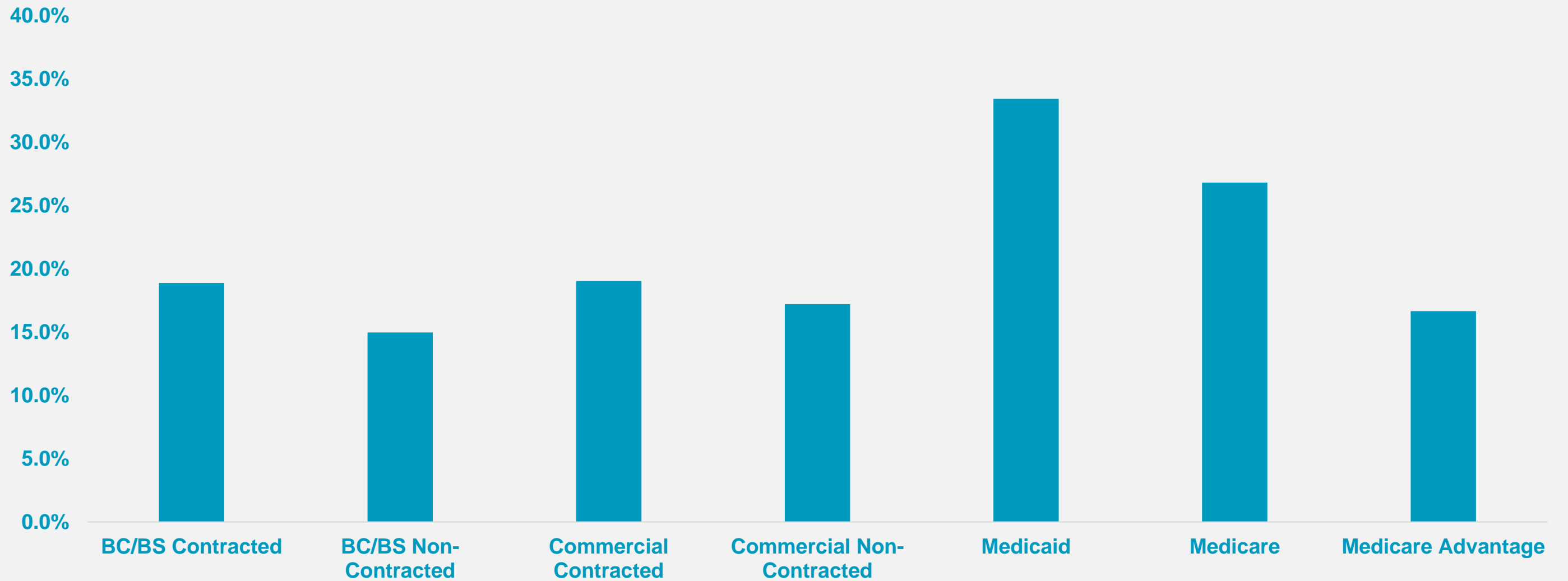
# Appeal Trends: Pathology Testing

	% of Total Appeals Filed	% of Appeals Paid after 1st Attempt	% of Appeals Paid after 2nd Attempt	% of Appeals Paid after 3rd Attempt	Average Payment per Appeal
Overall Averages		22.6%	20.6%	21.8%	\$327
Additional Information	33.4%	28.8%	23.4%	27.9%	\$337
Medical Necessity	19.0%	23.5%	23.4%	27.6%	\$398
Out of Network	17.9%	17.6%	12.4%	17.7%	\$318
Prior Authorization	12.2%	21.5%	32.9%	36.5%	\$350
Experimental and Investigational / Non-Covered	9.2%	17.8%	8.9%	3.1%	\$195
COVID Underpayment	5.8%	9.0%	3.4%	16.7%	\$31
Timely Filing	2.5%	20.5%	15.6%	13.3%	\$191
Underpayment	0.1%	52.2%	0.0%		\$177

# Appeal Trends: Pathology Testing



## Success Rate of Payment After Appeal (2021): Pathology



# Recent Payor Issues: Payors Aren't Perfect



ProPublica article about Cigna denial process



Payors change Denial and Remark Codes used for certain Denial reasons



CO50:

**UHC Denials on claims that have a Prior Authorization**

- Significant delays in payments
- Some Appeals being upheld even after Prior Authorization was received



CO45:

**UHC & BCBS used Contractual Allowance adjustment code to deny claims in full**

- Many systems auto-adjust CO45, which may cost providers thousands in lost revenue



CO252:

**Increase in Payors requiring Medical Records for payment**

- UHC, in particular, sending high volumes of requests on clinical tests



# STRATEGIC APPEALS PROCESS 101



# Golden Rule of Medical Billing



**Report Documentation: *If it wasn't documented, it wasn't performed***

**Report documentation should clearly outline the services provided and the medical necessity of those services**

- **Ordered**
- **Performed**
- **Medically Necessary**



**The Golden Rule  
Of Medical Billing**

# Payor Policies: Industry Edits



## National Correct Coding Initiative (NCCI) Edits

Example: CO97 - Procedure or Service Isn't Paid for Separately

Unlikely Code Combinations

Published CCI Edits as **Unbillable Errors**

**Corrected Claims** with Modifiers for Denials



## Local Coverage Determinations (LCD) / National Coverage Determinations (NCD)

Procedure / Diagnosis Code Combinations, Frequency

Maintained by XiFin – **Unbillable Errors**

Advanced Beneficiary Notice (ABN) required to bill patients

# Payor Policies: Industry Edits (continued)



## Medically Unlikely Edits (MUEs)

Units of Service

Updated Quarterly

### Two edit categories

- Claim Line: Units evaluated on each line
  - **Consolidation Rules**: Separate Units and Append Modifier
- Date of Service: Units evaluated for entire DOS
  - Some cannot be overturned through appeal
  - **Automated Appeals** with medical records

# 3-Cycle Appeals Process



## First Level

Submission of high-level appeal letter specific to the testing performed

May have letter written by genetic counselor and/or pathologist to define scientific methodology of the test as well as medical criteria

Generally, attachment of lab report and order is included

Separate Department at Payor, typically RN



## Second Level

Written appeal, includes cover letter specific to case

Genetic counselor and/or pathologist will provide evidence to support the patient has met specific criteria to meet the payor policy

Qualified independent contractor will review appeal and provider may submit additional medical records not submitted in first level appeal

# 3-Cycle Appeals Process (continued)



## Third Level

Resubmission of second appeal documentation for review by an Administrative Law Judge

In some cases, it may be strategic to request outside review of case

Process of outside review is not viewed favorably by most payors  
Measure pros and cons of taking an aggressive approach



## Outcomes

82% of successful appeals are paid on the first submission

12% pay on the second appeal

4% pay on the third appeal

Molecular labs realize 15% of their appeal-driven revenue from successful second and third round appeals  
This average increases to 20% for pathology appeals

# We value your feedback!



If after attending this discussion you applied any of what you learned, please share your feedback of how it worked for your practice at [capatholo.gy/3V80HZa](https://capatholo.gy/3V80HZa)



Please share your thoughts about this session. Your feedback is important!  
<https://www.surveymonkey.com/r/caponlinepm>



# Resources

## Practice Management

- <https://www.cap.org/member-resources/practice-management>

## Practice Management Articles

- <https://www.cap.org/member-resources/articles/category/practice-management>

## Pathology Business Fundamentals Online Courses

- **Course Package:** <https://learn.cap.org/lms/activity?@curriculum.id=-1&@activity.id=7808307&@activity.bundleActivityId=-1>
- **Individual Course:** <https://learn.cap.org/lms/catalog?@searchCatalog.search=PBF22&@searchCatalog.type=-1&@searchCatalog.location=&@searchCatalog.termId=>



# MEMBERSHIP

DID YOU FIND THIS INFORMATION USEFUL?

**THIS PROGRAM WAS FUNDED BY YOUR CAP MEMBERSHIP. PLEASE BE SURE TO KEEP YOUR MEMBERSHIP CURRENT SO WE CAN CONTINUE TO BRING TIMELY AND RELEVANT RESOURCES LIKE THIS TO YOU.**

**VISIT [CAP.ORG](https://www.cap.org) TO RENEW YOUR MEMBERSHIP OR EMAIL [MEMBERSHIP@CAP.ORG](mailto:MEMBERSHIP@CAP.ORG)**