

Reduction in Claims Denials for High-Tech Imaging (HTI) at SMDC Health System Center for Therapy in Duluth, Minnesota



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About SMDC Health System

- Serves a regional Midwest population of 460,000 at 17 locations.
- Includes four fully-owned hospitals and the Duluth Clinic, a multispecialty clinic with more than 400 physicians.
- Mission: To bring the soul and science of healing to the people we serve.
- Vision: Working together with our patients and communities, we are creating the next generation of integrated health care.



The Project Team

- Senior process expert
- Supervisor of health plans
- Office manager of radiology
- Health plans office
- Radiology schedulers
- Radiology PSA
- Trainer and process analyst

The Problem

- SMDC Health System Center for Therapy was experiencing a higher-than-usual level of claims denials from a number of insurers for high-tech imaging tests (CT and MRI).
- The claims were being denied because SMDC had not obtained prior authorization for the tests.
- This resulted in approximately \$45,000 in claims denials over a six-month period (June 1–Dec 31, 2008).



Project Goal

Reduce denials of claims for high-tech imaging tests ordered by non-SMDC providers by 85 percent by March 31, 2009.



Root Cause Analysis

The process engineering team identified several first-level root causes for payment denials:

- Non-SMDC provider's office does not have/obtain prior authorization number.
- Too many people involved in obtaining prior authorization.
- Test was scheduled without prior authorization number.
- Prior authorization is not needed for all policies within a plan, causing variation in requirements.
- Technology failures.
- Wrong facility listed on prior authorization.
- Claim denied in error.



Addressing Root Causes

- The process engineering team focused its improvement effort on a single root cause: “The non-SMDC provider does not have/obtain the prior authorization when they call to schedule the test.”
- To address this root cause, the team:
 - Used weighted cause and effect items to identify the area that would give the best outcome.
 - Silently brainstormed possible solutions, worked as a group to hone the ideas into major categories, and applied a PICK chart to the possible solutions to arrive at the best ROI with easiest implementation effort.
 - Developed new workflow and set timelines, using Who/What/When diagram for accountabilities with the implementation.
- Because the new process does not require new staff, there were no new costs incurred, and all of the gains from the new process are actual cash that was previously written off.
- Champions were assigned in each area to overcome resistance by staff who were not directly involved in the development of the new process but must follow the new workflows.



Return on Investment

- The revised workflow should virtually eliminate claims denials for no prior authorization for high-tech imaging tests at non-SMDC providers. This exceeds the initial target goal of reducing denials in this population by 85 percent.
- Based on six months of data for high-tech imaging denials for this population, denied dollars were approximately \$45,000, so annualized new cash will be about \$90,000.
- There were no new staff or equipment needed to implement the process improvement, so this is all cash for the organization. Getting it right the first time has also eliminated the expense of appealing denials and rebilling claims.
- There is the possibility of adding this process improvement project to another site within SMDC, which would result in further cash for the organization.



Monitoring and Evaluating Over Time

- To ensure the process is performed consistently and desired results are obtained, the control plan will monitor crucial items in the new process:
 - Referral data is complete.
 - Referral data is accurate.
 - A referral exists for every appointment for the population.
 - A prior authorization number is documented on each referral.
 - A count of the number of denials for the population is tracked.
- Data are tracked either weekly or quarterly, with countermeasures in place and individual accountability for each metric.
- Results for weekly metrics have been at goal, after a week or two of getting used to the process.

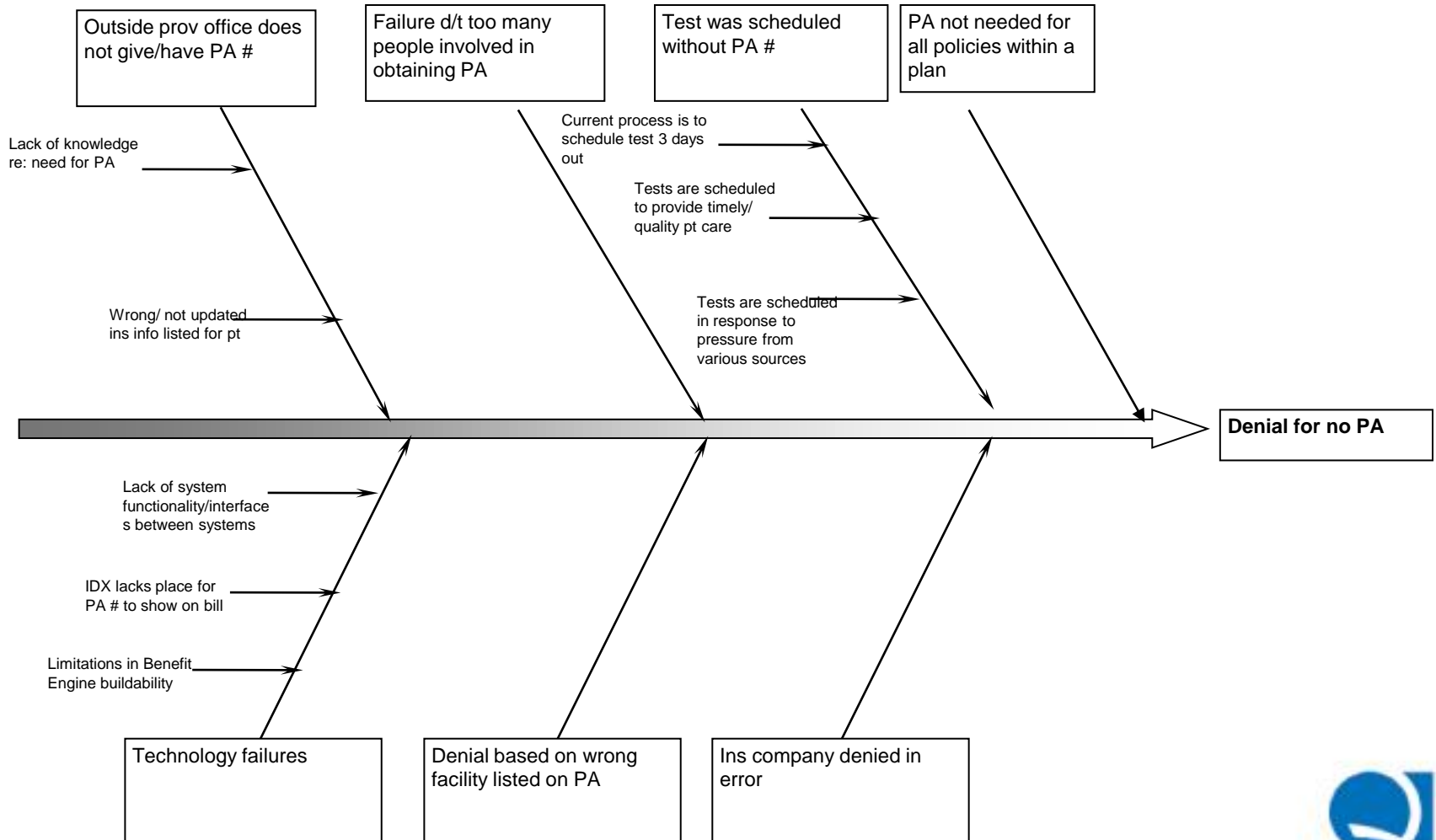


Control Plan

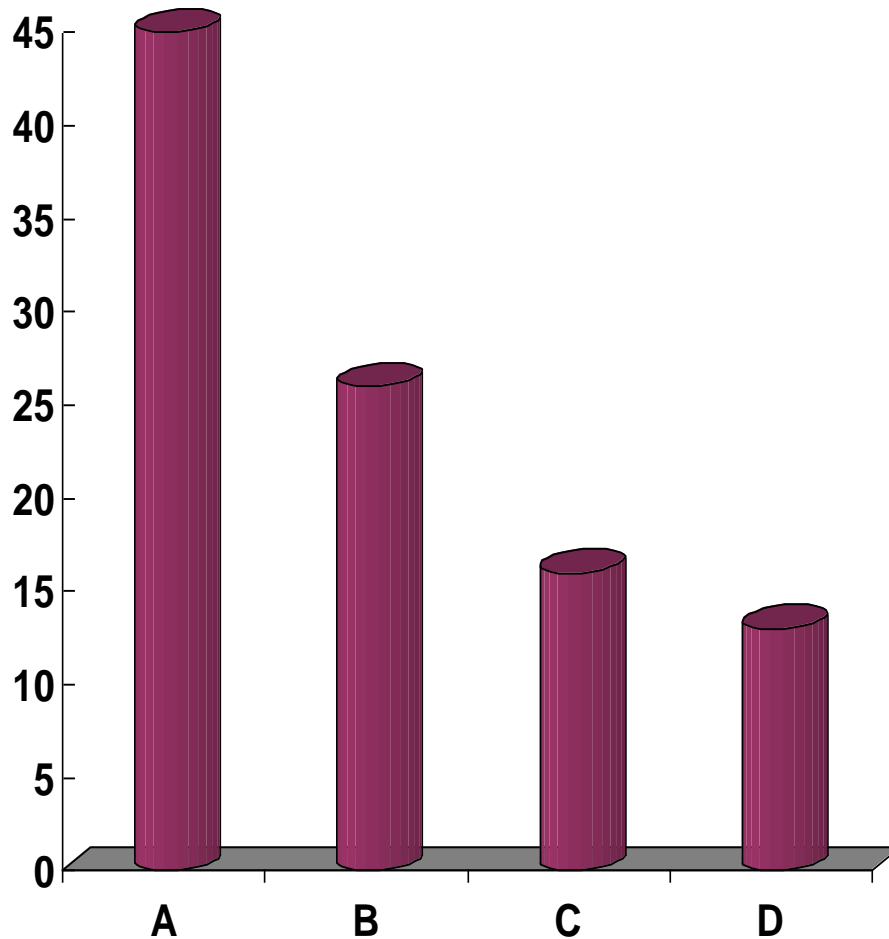
SMDC: Process Excellence Process Control Plan						
Project Title	Reduce HTI Denials			Control Plan Owner	Faye Anderson	
Process Title	Reduce HTI Denials			Control Plan Revision		
Date	4/27/2009			Process Owner	Faye Anderson and Linda Gran	
Project Number				Process Manager	Faye Anderson	
Process Objective	Reduce HTI Denials			Core Team	Christie Lund, April Abreu, Rachel Senarighi, Theresa Stumbris, Kim Hashey, Linda Gran, Faye Anderson	
Critical Improvement Metric	Acceptance Metric Limits	Control Method Tasks / Responsibilities	Measurement Frequency	Countermeasure Plan Defined	Countermeasure Accountability Signoff	Source of Control Metric Data
Referral data is complete	100%	every case reviewed by Access Coordinator	every case	Case sent back to ROS to correct w CC to Linda Gran	Linda Gran	Epic referral
Referral data is accurate	100%	every case reviewed by Access Coordinator	every case	Case sent back to ROS to correct w CC to Linda Gran	Linda Gran	Epic referral
A referral exists for every appointment for HTI test ordered by non-SMDC provider	Yes - No 95%	PSA would catch if no referral exists when making an appointment in Epic	every case	PSA creates a referral if one does not already exist	Linda Gran and Faye Anderson	Epic referral
A PA # is documented on the referral	Yes - No 95%	Access Coordinator does check when final status is changed	every case	Access Coordinator gets a PA # if not already done	Faye Anderson	Epic referral
Count of # of denials for no PA #	5%	Clarity report reviewed 2 times per month and results reported to Team	2 times per month	Clarity report will be scheduled to run 2 times per month with results reported back to Team	Faye Anderson	Clarity report



Fishbone Diagram



Contributing Factors to High-Tech Imaging Claims Denials



Contributing Factors

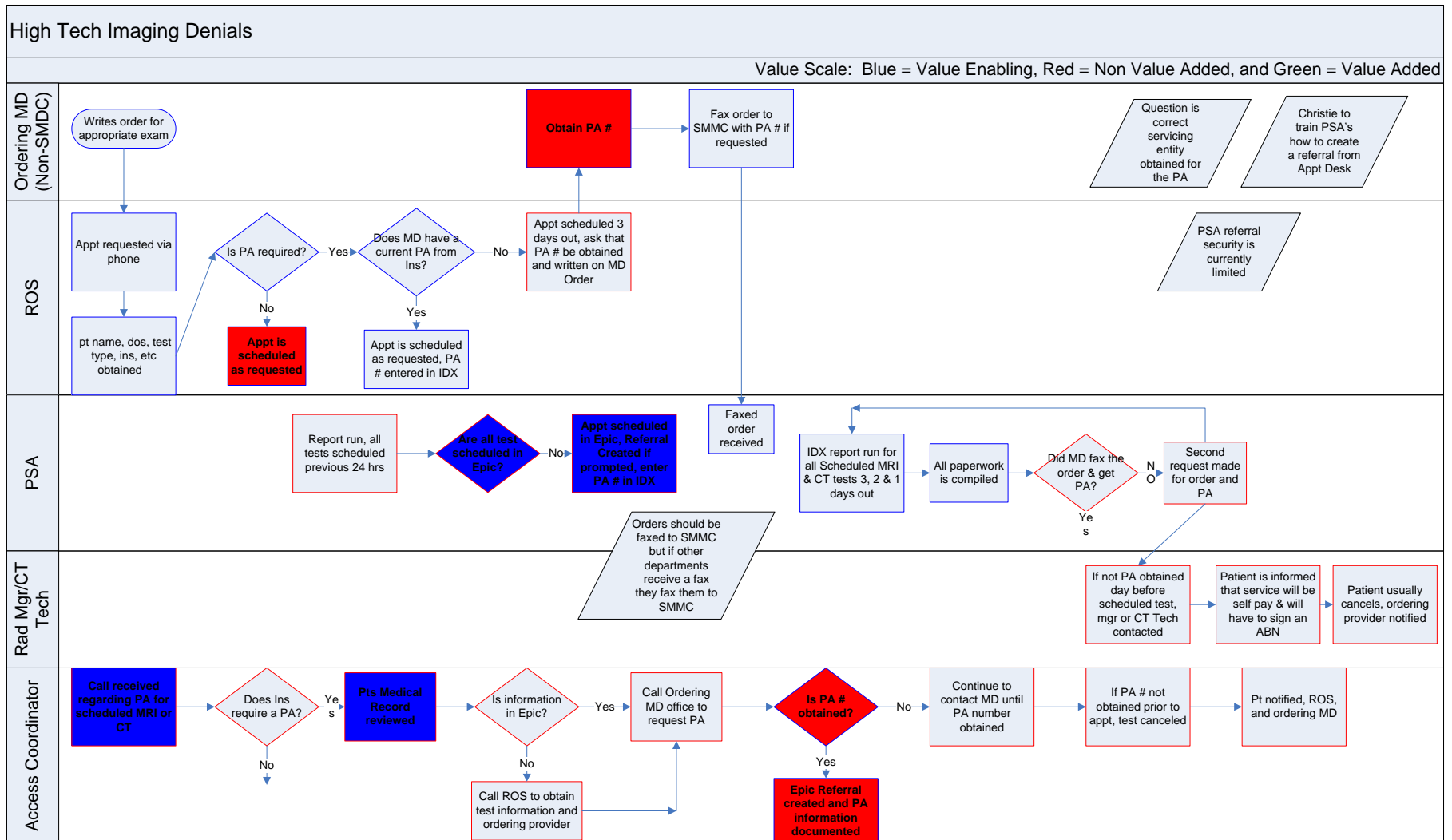
A - Scheduled w/o PA #

B - Provider does not have a PA #

C - Technology failures

D - Too many people involved in process

Process Flow Map of High-Tech Imaging Claims Denials



For More Information

- Learn more about SMDC Health System:
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- More case study presentations are available from the ASQ Healthcare Division:
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