

# Strategies to Minimize Denials in Musculoskeletal Procedures

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As the ASC landscape continues to evolve, so does the challenge of claim denials. As part of our commitment to providing practical solutions for our clients, nimble's analytics team conducts on-going studies to address the most common claim denial reasons.

Given the prevalence and growth of musculoskeletal (MSK) procedures within the ASC industry, we utilized 2023 clearinghouse data and our ML-enabled accounts receivable (A/R) management tool to delve into the nuances of denial patterns for these surgeries.

This article explores our findings regarding the most commonly denied MSK procedure to pinpoint the underlying causes of these denials and effective strategies to mitigate them.

## **MSK Procedure: 29827 - Arthroscopy Shoulder Rotator Cuff Repair**

One of the most frequent MSK procedures performed in the ASC setting is Arthroscopy Shoulder Rotator Cuff Repair.

Through August 2023, nimble solutions billed over 2,000 procedures for CPT 29827 representing over \$40 million in total billed charges.

Our study highlighted CPT 29827 as one of the most frequently denied procedures, and given its relatively high charge per case, denials can have an outsized financial impact for an ASC.

## **Medical Record Requests and Denials: A Common Challenge for CPT 29827**

The most common denial reasons for CPT 29827 were medical record requests and medical necessity denials. Our study determined these two denials accounted for \$3 million in potential lost revenue and represented a 7% denial rate.

These denials share a common thread: they both indicate the payer is requesting proof that the procedure was performed and the right context for this procedure existed for the patient.

We also find that ASCs receive requests from payers for medical records if the prior authorization obtained does not align with the billed procedure.

These two denial reasons correspond with another 2023 ASC claim denial study our team conducted. Within this study, we determined that additional information / medical record request accounts for the bulk of ASC claim denials (representing 33% of all ASC claim denials), and medical necessity was the second most common 2023 claim denial.

As these denials represent a trend among all payers nationwide, not just within MSK procedures but within all ASC procedures, we've devised effective strategies to address and resolve them.

## **Effective Strategies to Address Medical Necessity Denials and Record Requests**

**1. Thorough Documentation.** ASCs must prioritize complete and accurate documentation for their patients. If you have a timely filing deadline of 30 days, you can miss the window for reimbursement if you're trying to collect additional documents from other providers after the claim has been submitted. Having all medical records on file and having these files readily available to submit will reduce denial risks due to missing data. Be sure your team understands your managed care contract terms and submits all necessary requirements the first time.

**2. Comprehensive Record Submission.** When asked for medical records, our standard practice is to provide all relevant records, including history and physical examinations (H&Ps), operative notes, pathology reports, office visit/progress notes, and imaging records as needed. Supporting documents for medical necessity on CPT 29827 can include: failed conservative treatments prior to the procedure, signed and dated diagnostic

imaging reports, or preoperative surgeon notes. Ensure all required clinical documentation is signed and/or a signature attestation is submitted on procedure notes or diagnostic reports. This comprehensive approach is vital for successful reimbursement.

**3. Timely Response via Collaborative Efforts with the Physicians' Office.** One hindrance to submission of records can be receiving them from the physicians' office. Often, when a surgery center and physicians' office are separate entities, it can take days or weeks to receive adequate notes for denial response. This will lead to either slower than optimal payment velocity, or in the worst case, can lead to outright denial if records are not received in line with the payer's response guidelines.

Developing a working relationship and procedures for requesting, organizing, and submitting records from the physicians' office is key to quick response. We recommend regular meetings, reporting, and applicable document storage technology to develop these procedures.

Additionally, it is key to notify and work with physicians when claims are denied once medical records are received. There is a wide spectrum of operative note quality and detail – if a physician is not documenting appropriately according to payer guidelines, having strong communication with them can lead to fewer denials and increased reimbursement.

**4. Understanding Payer Expectations.** Each payer may have specific expectations regarding the transmission of records. Documenting these expectations at the payer level - whether documents must be faxed, uploaded to a payer's website, or mailed - can lead to fewer delays.

**5. Prior Authorization.** We often recommend requesting prior authorization for a range of possible codes before surgery. Sometimes, as with CPT 29827, the extent of damage or necessary procedures may not be clear until surgery begins, even with prior imaging. The billing team should notify the ASC/physician when these issues arise and make recommendations for authorization based on trend identification.

## Final Takeaways on MSK Claim Denials

Our analysis on claim denials for MSK procedures represents a snapshot of some of the most common issues impacting collections within the ASC industry.

We recommend the following three best practices to address recurring denials:

- **Enhance Communication:** Establish a robust communication channel between ASCs, physicians' offices, and payers to align documentation requirements and submission procedures.
- **Leverage Technology & Analysis:** Utilize technology solutions that streamline the coding and billing process, reducing the likelihood of errors and missed requirements. Also, analyze your data to help prevent denials before they happen.
- **Educate Staff:** Provide ongoing training to staff members involved in claim submission, equipping them with the latest payer guidelines and best practices.

ASCs that understand the primary causes of claim denials can help prevent them from occurring. Implementing proactive measures will significantly enhance revenue cycle management, improve your collections, and pave the way for sustained financial success.

Visit [nimble solutions](#) at Booth #606 during Becker's 29th Annual Meeting: The Business and Operations of ASCs on October 26 – 28, 2023 in Chicago for additional revenue cycle management solutions. Go to [nimblercm.com](#) to learn more.