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Impact of Denied Days

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Impact of Denied Days

For many teaching hospitals in Philadelphia, the total number of days for which the hospital is being denied payment by third party payers has increased significantly over the past few years. This is due not only to a change in the reimbursement method from some payers from a per case to a per diem payment but also to the application of more stringent criteria by all payers.

The hospital Utilization Management staff coordinates the transmittal of case-specific clinical information to external reviewers to ensure certification of payment and to appeal unsatisfactory decisions regarding denial of payment. Utilization Management staff also review cases for which the hospital receives per case payments in which the third party is not concerned with overutilization. Although per case payment may not be jeopardized, utilization must still be monitored to control unnecessary costs. Utilization Management staff are responsible for identifying and then resolving problems by following up with attending physicians.

The highest percentage of overutilized days for all clinical departments identified by both external and internal reviewers is for delays in discharge. Delays in diagnostic testing and procedures also represent a significant number of denied days as do delays in consults which ultimately impact the overall length of stay. Managed care companies use utilization data to evaluate a provider's ongoing participation in a plan's network. Thus, attention to these issues and data will not only help reduce external denials but will improve overall resource utilization and position the hospital for success in the managed care environment of the future. Medically unnecessary, denied days may be reduced by the health care team by the following:

- 1) Plan for patient discharge at the time of admission in the case of emergency admissions; consider the need for Social Work or Home Health Care services as soon possible in the patient's stay. For elective admissions, utilize the discharge planning section of the reservation form to alert the Utilization Management pre-admission coordinator to specific discharge planning needs. Appropriate referrals to either the Social Work or Home Health Care departments will be made. Participate with hospital staff in the discharge planning process clearly explaining the patient's post-discharge needs to the patient, family, and friends, in order to gain their cooperation in the process.
- 2) Consider alternative levels of care, e.g., Subacute facilities, Home Care, Hospice, Jefferson Transitional Rehab.
- 3) Order diagnostic testing and procedures as soon as possible in the patient's stay. If the test or procedure cannot be completed within 24 hours, consider discharging the patient for scheduling on an outpatient basis or re-admitting at a later date in the case of inpatient testing/procedures. If you believe it is medically necessary for the patient to remain in the hospital to await a test or procedure, clearly document the clinical rationale in the medical record.
- 4) Utilize pre-procedure days when patients require services on the pre-procedure day(s) which can be provided only on an inpatient basis. Distance from the hospital

is not considered an acceptable reason for inpatient hospitalization on the pre-procedure day. If necessary, contact the Patient Services department to arrange local housing accommodations prior to an SDA admission.

5) Assure that consult requests are answered promptly within 24 hours. Acknowledge a consultant's recommendations and if in agreement, follow up with appropriate orders as soon as possible.

6) Participate with the Utilization Management department in the appeals process for reimbursement denials by third party payor. This is especially important when physicians have been notified during the patient's hospitalization of the third party's determination, disagreed and have kept the patient in the hospital for additional days.

7) Respond to requests from Utilization Management staff for additional information to clarify the necessity of continued hospitalization and the plan of care. Follow up with medical record documentation or other action as appropriate.

For questions, concerns or recommendations regarding utilization issues either on a case-specific basis or generally, please call the Utilization Management department at (215) 955-2871 or, to contact a Utilization Management coordinator for a specific clinical area, call extension (215) 955-6624.

About the Author:

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