

# RWJBarnabas Health recovers \$34 million in cash

**Health system leverages nThrive's expertise to decrease denials and increase cash flow**

## Business issue

With no way to determine root cause of denials, RWJBarnabas Health (Barnabas) was unable to recover lost cash or implement an effective claims denial management program.

## Overview

Barnabas is New Jersey's largest integrated health care delivery system. Based in Orange, N.J., the organization provides treatment and services to more than three million patients each year through 12 medical centers, three children's hospitals, outpatient and ambulatory care centers, a statewide behavioral health network and comprehensive home care and hospice programs. Barnabas employs 32,000 people, in addition to 9,000 physicians and 1,000 residents and interns. The system also includes New Jersey's only certified burn treatment facility and lung transplant program.

## Problem

Like many health systems, Barnabas was experiencing high insurance denial rates, high denial value and a very challenging appeal process. Insurance companies were reducing payments by more than \$30 million by way of medical necessity and authorization-related denials each year. Because denial explanations were vague, the health system had no discernible pattern to track and trend denials, making it extremely difficult to identify root cause.

"We recognized there was a problem and realized we had tremendous financial opportunity to recover millions of dollars in our inpatient clinical and medical necessity claims," said John Doll, senior vice president, Finance, Barnabas. "It was imperative to be proactive and look for a better, more robust way to determine root cause, prevent denials and get paid."



**\$2.4  
million**

denials appeals in  
**one year** –  
an **8% improvement**  
over prior years

## Solution

To overhaul and improve revenue cycle performance, Barnabas engaged with nThrive, outsourcing its inpatient and medical necessity denials and recovery efforts for six facilities, in addition to its central business office for accounts receivable management. Leveraging robust analytics and experts in various medical specialty areas, nThrive's board-certified MDs and nurses successfully managed the appeal process for Barnabas and accelerated the identification and resolution of denied claims. Denials management technology accurately tracked and trended claim activity, and advanced dashboards and workflow tools provided complete visibility into the source and volume of the health system's denied claims—from payor to service line and physician.

"The nThrive partnership with our clinical and hospital leaders is what makes our denials recovery engagement work," says Doll. "They get to the root causes of issues causing revenue loss and help with process improvement to prevent them from reoccurring. The appeal recovery engagement has provided tremendous value."

The nThrive team continues to meet on a regular basis with Barnabas leadership to review denials analysis, highlight areas of opportunity and recommend best-practice process improvements. These reviews generate action items to prevent future denials and increase cash collections.



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**JOHN DOLL, SENIOR VICE PRESIDENT, FINANCE, BARNABAS**

## Value

In the four years since the engagement with nThrive began, Barnabas has recovered \$34 million in cash. The health system has also seen considerable drops in both denial rates and dollars, and pre- and post-appeal denial rates are well below industry averages — with the system realizing a 1.3 percent reduction in pre-appeal denial rate, and some facilities seeing more than a 2 percent reduction in pre-appeal denial rate.

In an ongoing effort to improve financially and deliver better patient care, Barnabas leaders work closely with nThrive, using denials analysis in making more informed operational decisions. Relying on this data, the health system continues to optimize and drive process improvements in key areas such as medical records, case management and financial clearance. In addition to ongoing denials recovery work, nThrive continues to provide Barnabas with Discount Compliance and Recovery Services and technology tools.



## Engage with nThrive

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