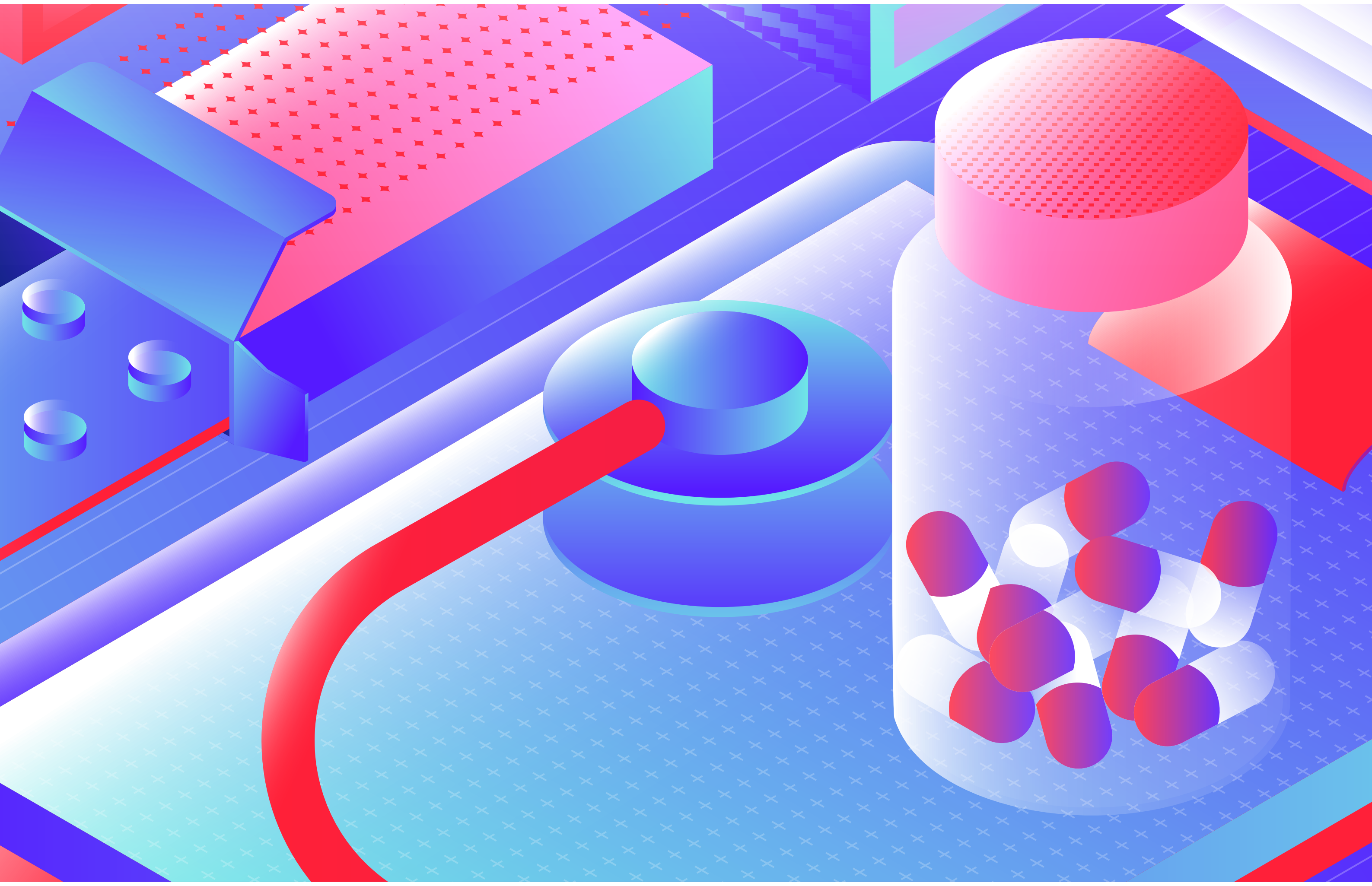
BECKER'S HOSPITAL REVIEW | ABBYY



Why Healthcare Providers Should Address Underpayments and Undercharges

Many hospital revenue cycle teams are focused on helping their organizations regain financial footing after sustaining revenue losses amid the COVID-19 pandemic. One way hospitals can recoup money owed to them and improve financial stability is by pursuing underpayments from insurers and correcting undercharges.

In a recent webinar, sponsored by ABBYY and hosted by Becker's Hospital Review, industry experts discussed how hospitals are leaving millions of dollars on the table from underpayments and undercharging and offered solutions to help providers recover money owed to them. This checklist reveals the **five key takeaways from that discussion**.

1

One common root cause of underpayments: new contracts.

When a provider's new contract starts with an insurer, often the new rates are not loaded in a timely manner, or the payer doesn't make the new rates effective right away. This is probably the most common cause of underpayments that providers see across the board.

2

Undercharges are "the most painful" underpayment.

From a provider standpoint, undercharges are self-inflicted leakage. Yet, there is a real chance that providers are charging less than what they are entitled to collect based on the terms of the insurance contract, especially if they do not know what the highest contracted rate is while setting fees.

3

Certain characteristics make organizations susceptible.

Organizations that may be at a higher risk for underpayments negotiate their own rates with commercial insurers, have a high number of commercial claims, have many physical locations, or have grown through acquisitions and need to integrate new locations. These characteristics contribute to the occurrence of underpayments.

4

Linking disparate data is key to solving the problem.

Data from sources such as the EMR, contracts and outsourcing, or collection agencies are typically not linked, which makes it hard to solve or predict underpayments and undercharges. Bringing that data together makes it possible to look at the end-to-end story and start to discover and analyze why issues are happening.

5

Building a business case to address it can be easy.

With the right technology, revenue cycle staff can easily build a business case to address underpayments and undercharges. ABBYY's technology brings together disparate data sources to quickly find how many patient visits resulted in underpayments, the payer that had the most underpayments, and the money the health system could recoup.

Uncover opportunities to improve revenue

ABBYY has found that healthcare systems are leaving millions of dollars on the table from recoverable underpayments and undercharges that should not happen. With the end-to-end process visibility that ABBYY Digital Intelligence solutions provide, health systems are able to uncover these valuable opportunities for improving revenue.

↳ Get a complete picture of how this works by listening to the full webinar, Underpayments and chronic undercharging: A guide to improving financial stability during a pandemic.