



**Kansas MGMA Annual Conference**  
**Know Your KPIs, Cash Flow and Claims Optimization**

April 2026



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**Meet the Presenter**



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## Learning Objectives

By the end of this session, you will be able to:

- Identify and utilize key revenue cycle KPIs to enhance financial performance
- Identify industry benchmarks related to revenue cycle KPIs
- Implement proactive measures to reduce claim denials
- Improve payer relationships in RHCs

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## Key Revenue Cycle KPIs

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## What is a Key Performance Indicator?



### Definition:

## key performance indicator

[key performance indicator]

NOUN

*key performance indicators (plural noun)*

a quantifiable measure used to evaluate the success of an organization, employee, etc. in meeting objectives for performance.

"key performance indicators show big improvements and delivery times have been reduced"

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## How are Key Performance Indicators (KPIs) Used?



Many organizations use KPIs to evaluate themselves against:

- Budget
- Prior performance
- Peers
- Industry standards

KPIs are often used as part of a performance improvement plans, executive and employee bonus calculations, evaluating operations, and many other things

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## Sample Patient Access KPIs

Key Performance Indicator	Median Benchmark
No Show Rate <sup>1</sup>	4.71%
Annual Wellness Visits Completed <sup>3</sup>	24.00%
Minutes Spent in Waiting Room <sup>2</sup>	17.70
Minutes Spent Waiting in Exam Room <sup>2</sup>	33.60
Same Day Appointment Percentage <sup>1</sup>	10.00%
Appointment Cancellation Rate <sup>1</sup>	19.01%
Percent of Copays Collected at Time of Service <sup>1</sup>	74.00%
Percent of Patient Due Balances Collected at Time of Service <sup>1</sup>	60.00%
Insurance Verification Rate <sup>2</sup>	87.0%
Clean Claim Rate <sup>2</sup>	85.0%

1 – MGMA Data Dive © 2025 Financials and Operations survey based on 2024 data, median Family Medicine practices  
 2 – MGMA Data Dive © 2024 Practice Operations survey based on 2023 data, median Family Medicine practices  
 3 – Forvvs Mazars industry experience

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## Sample Billing KPIs

Key Performance Indicator	Median Benchmark
AR > 90 Days <sup>2</sup>	27.86%
AR > 120 Days <sup>2</sup>	22.93%
Net Days in AR <sup>2</sup>	69.81 Days
Gross Collection Percentage <sup>2</sup>	49.05%
Net Collection Percentage <sup>2</sup>	97.13%
Percent of Claims Denied on First Submission <sup>2</sup>	7.08%
Charge Posting Lag Time <sup>2</sup>	5.00 Days
Insurance Verification Rate <sup>1</sup>	87.0%
Clean Claim Rate <sup>1</sup>	85.0%

1 – MGMA Data Dive © 2024 Practice Operations survey based on 2023 data, median Family Medicine practices  
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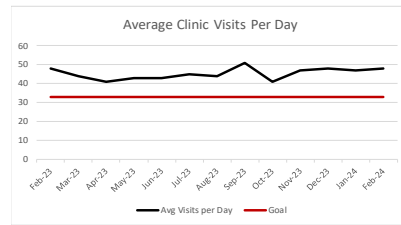
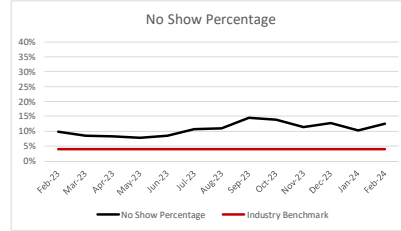


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# Calculate and Monitor Metrics

## Utilization of Data

- Leadership must identify key KPIs and goals that will be utilized to monitor patient access effectiveness and communicate to staff.
- Utilization of industry benchmarks is important, but **not** gospel.
- Must verify trusted reporting exists if staff will be held accountable.
- Must communicate wins as well as areas of opportunity.
  - Rewards do not have to be major expenses
- Post results that include 12-15 months of data, if available.

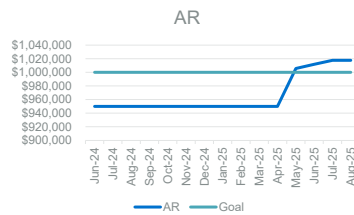
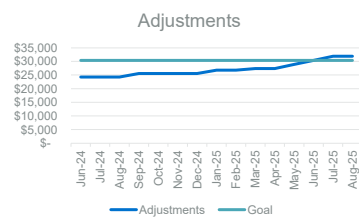
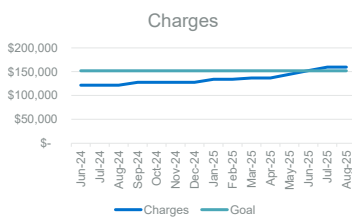


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# Correlate Metrics to Drive Action and Improvement



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# Insurance Denials and the Impact to Healthcare Providers

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## Impact of Claim Denials to Providers

### Financial Impact

- **2.0%** hospitals' net revenue lost due to claim denials<sup>1</sup>
- **\$4.9M** average hospital annual net revenue lost due to denials<sup>2</sup>
- **12%** of total hospital claim charges submitted received an initial denial<sup>3</sup>

### Cost of Re-Work

- **\$118** average to formally appeal a denied claim<sup>1</sup>
- **Re-work Costs** including staff & vendor labor (10% to 25% of payments in some cases)
- **Reduced speed to payment & AR resolution**

### Patient Experience

- Unexpected **patient liabilities**
- **Delay in patient care** or statements received
- Required patient involvement in **complex appeals process**

<sup>1</sup> Healthcare Business Insight (HBI) Hospital Financial Benchmarks CY 2024 National Average  
<sup>2</sup> Change Healthcare Study 2022  
<sup>3</sup> Change Healthcare Study 2016

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## The Trend Continues...

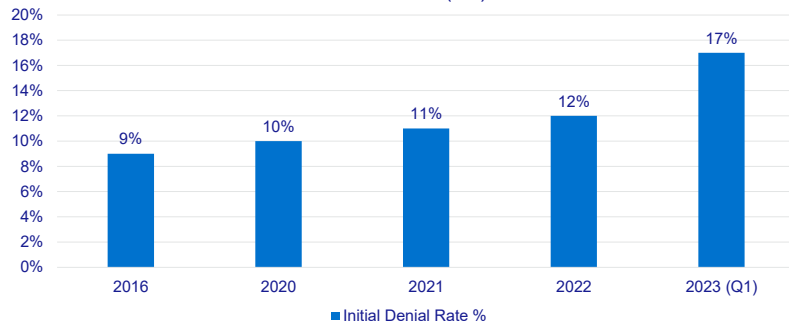
**89%** Increase in National Average Insurance Denial Rate from 2016 to 2023 (Q1)<sup>1</sup>

**100,000** Estimated number of payor policy changes between 2020-2022<sup>2</sup>

**12%** of all provider claims submitted are partially or completely denied<sup>1</sup>

**60%** of all denied claims are never resubmitted<sup>1</sup>

**National Average Claim Denial Rate Trends**  
2016-2023 (Q1)<sup>1</sup>



<sup>1</sup> Change Healthcare Study 2024  
<sup>2</sup> Experian Healthcare Survey June 2022

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## Top Reasons for Claim Denials<sup>1</sup>

### Front-End (41%)

- Registration/Eligibility – 22%
- Authorization/Pre-Certification – 13%
- Medical Necessity – 6%

### Mid-Cycle (17%)

- Service Not Covered – 11%
- Medical Coding – 5%
- Avoidable Care – 1%

### Back-End (34%)

- Missing/Invalid Claim Data – 16%
- Medical Documentation Required – 14%
- Untimely Filing – 4%

### Other (8%)

- Provider Eligibility – 1%
- Other – 7%

<sup>1</sup> Change Healthcare Study 2024

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## Claim-Based Profit and Loss Statement Example

Single Claim	Claim Never Denied	Claim Denied Once	Claim Denied Twice
Cost to File Claim	\$6.50	\$6.50	\$6.50
Cost to Resubmit Denied Claim	\$0.00	\$75.00	\$150.00
<b>Total Claim Cost</b>	<b>\$6.50</b>	<b>\$81.50</b>	<b>\$156.50</b>
RHC All-Inclusive Rate	\$152.00	\$152.00	\$152.00
<b>Claim Profit/Loss</b>	<b>\$145.50</b>	<b>\$70.50</b>	<b>\$4.50</b>

Claims touched more than once may result in negative margin for the encounter

1,000 Claims Monthly	Claim Never Denied	170 Claims Denied Once	170 Claims Denied Twice
Cost to File Claims	\$6,500	\$6,500	\$6,500
Cost to Resubmit Denied Claims	\$0.00	\$12,750	\$25,500
<b>Total Claims Cost</b>	<b>\$6,500</b>	<b>\$19,250</b>	<b>\$32,000</b>
RHC All-Inclusive Rate Revenue	\$152,000	\$152,000	\$152,000
<b>Claim Profit/Loss</b>	<b>\$145,500</b>	<b>\$132,750</b>	<b>\$120,000</b>

\$25,500 monthly and \$306,000 annual impact




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## Denial Reduction A Top Priority for Providers

According to a 2022 Survey<sup>1</sup> of healthcare professionals

- **75%** of survey responses indicated reducing denials is their highest priority & 70% said it is more important than prior to the pandemic
- **Top three reasons** healthcare professionals believe claims denials are on the rise
  - Insufficient data analytics (62%)
  - Lack of automation in the claims/denials process (61%)
  - Lack of thorough training (46%)





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<sup>1</sup>Experian Health - The State of Claims 2022

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## Challenges In Addressing Denials

**Our clients & healthcare providers at large continue to struggle reducing insurance denials & revenue loss from preventable operational issues**

- 1 **Revenue Cycle Staffing** – Staffing & turnover challenges in revenue cycle have limited an organization's ability to proactively approach prevention initiatives & staff education
- 2 **Denial Visibility & Reporting** – Complex system & reporting limitations have limited providers' ability to prevent denials & monitor appeal success
- 3 **Regulatory & Payor Complexity** – Providers continue to have difficulties adhering to constantly evolving regulatory requirements & successfully defending post-payment audits

<sup>1</sup>Experian Health - The State of Claims 2022

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## Assessing Denials Reduction Opportunity

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## Assessing Denial Write-Off Reduction Opportunity

One of the first steps in reducing denials is understanding where and how much revenue the organization is losing and the financial opportunity for reduction

Annual Denial Write-Offs by Adjustment Category	Gross Denial Write-Off Total
Patient Registration	\$120,000
Medical Necessity	\$90,000
Timely Filing	\$70,000
Credentialing	\$50,000
<b>Total Gross Annual Denial Write-Offs</b>	<b>\$330,000</b>
Gross Collection Percentage	51.6%
<b>Estimated Net Annual Denial Write-Offs</b>	<b>\$170,280</b>
Annual Denial Write-Off Reduction Opportunity	
10% Reduction Net Annual Denial Write-Offs	\$17,028
20% Reduction Net Annual Denial Write-Offs	\$34,056
30% Reduction Net Annual Denial Write-Offs	\$51,084
40% Reduction Net Annual Denial Write-Offs	\$68,112
50% Reduction Net Annual Denial Write-Offs	\$85,140

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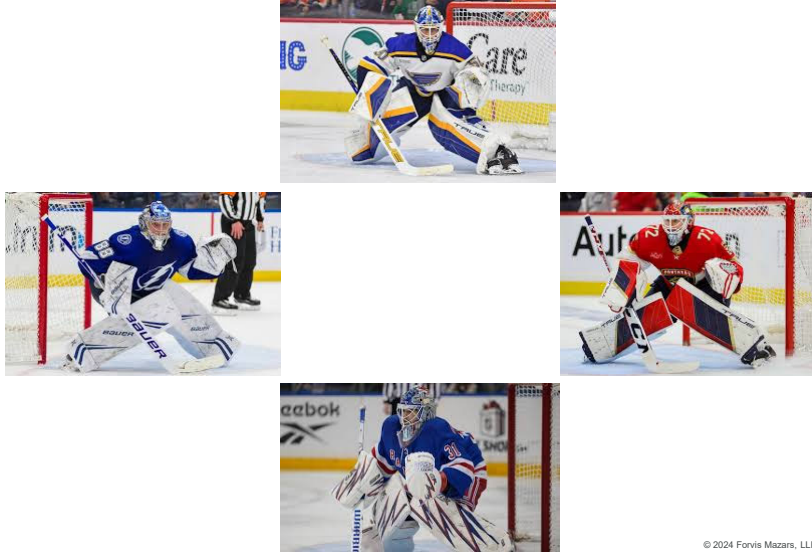
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## Implementing a Denials Prevention Structure



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# The NHL and Proactive Denials Prevention... More Similar Than You Think...

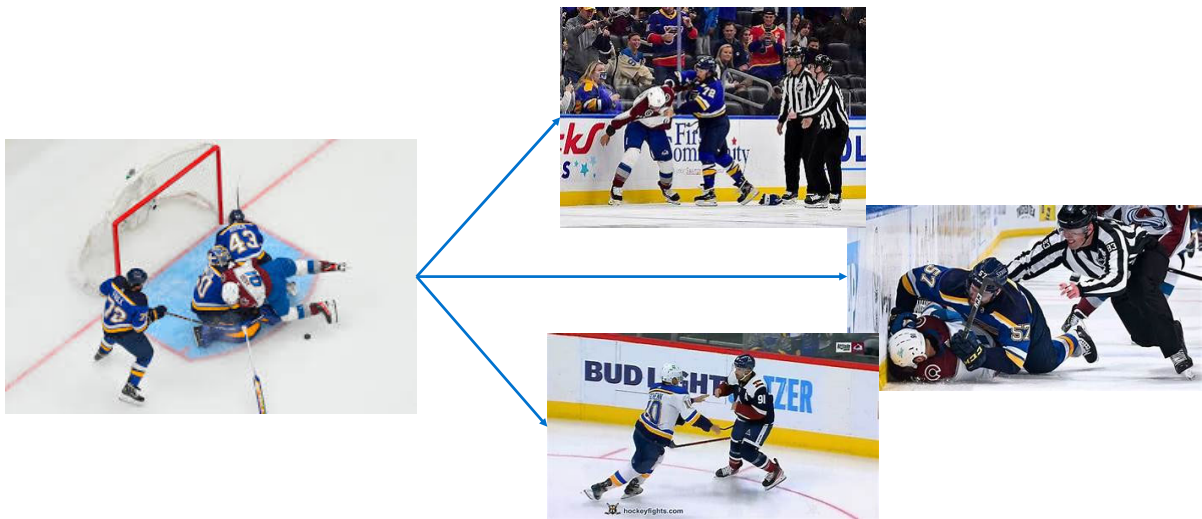


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# The NHL and Proactive Denials Prevention... More Similar Than You Think...



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## A Strong Foundation Leads to Sustainable Success

Important for the entire organization to establish a vision for success that starts with identifying what success looks like through a committee charter that incorporates key elements

- Clear Committee Structure Roles & Responsibilities
- Consistent Meeting Structure, Agenda, & Cadence
- Denials Prevention Key Leader
- Success Metrics
- We Before Me Mentality

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## Establish Leader Roles and Responsibilities

Important for the entire organization to establish a vision that starts with identifying what success looks like through a charter

Role	Key Responsibilities
<b>Exec Sponsors</b>	<ul style="list-style-type: none"> <li>▪ Oversight to the denial prevention initiatives</li> <li>▪ Approve initial &amp; ongoing strategic objectives &amp; goals</li> <li>▪ Support escalation of high-risk items &amp; requests</li> </ul>
<b>Denial Prevention Leader</b>	<ul style="list-style-type: none"> <li>▪ Responsible for overall initiative project management</li> <li>▪ Prepare, coordinate, &amp; lead monthly denials steering committee meetings</li> <li>▪ Update team &amp; monitor project progress against timelines &amp; benefits</li> <li>▪ Lead initial &amp; ongoing data analysis efforts &amp; guide strategic direction</li> </ul>
<b>Project Support</b>	<ul style="list-style-type: none"> <li>▪ Perform or oversee root cause denial sampling</li> <li>▪ Attend committee meetings &amp; provide input on project initiatives</li> <li>▪ Organize sub-committee meetings</li> <li>▪ Support implementation of agreed-upon initiatives</li> </ul>
<b>IT/Reporting</b>	<ul style="list-style-type: none"> <li>▪ Lead &amp; champion improvement efforts involving IT or system updates or revisions</li> <li>▪ Generate ad-hoc reporting as needed</li> </ul>

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## Implement a Consistent Structure

Consistency is key for reducing denials & improving revenue cycle performance

Monthly Denial Steering Meeting Cadence						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

- Denial Data Analysis, Root Cause Issue Identification, Improvement
- Denial Subcommittee Meeting Dates
- Denial Leadership Committee Dates

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# Using Denials Data to Drive Performance Improvement



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## Convert Denial Data Into Meaningful Information

Convert Electronic Claim Response files (835s) & patient accounting system adjustment detail to useful information by cleansing, categorizing, & turning into actionable reporting

- Remit Reason codes into useful categories & preventable vs. unavoidable denials
- Additional useful categories including CPT code grouping, specialty, financial class, etc.

### Electronic 835 file

SVC\*HC>90792\*324.98\*132.47\*\*1~  
 DTM\*472\*20220906~  
 CAS\*CO\*45\*159.12\*\*253\*2.7\*\*144\*-2.48~  
 CAS\*PR\*2\*33.17~

### Patient Accounting System Write-Off Detail

Account Num	Name	Svc Date	Procedure	Description	Write-Off Amount	Performing Provider
HV0021233095	FORVIS, John	12/6/2022	DMCRABTIMELY	Denial MCRA&B Timely	\$37,933	John Smith
HV0021355463	Johnson, Bob	12/1/2022	DHUMMCRNOAUT	Denial Hum MCR No Auth	\$28,381	Jane Doe

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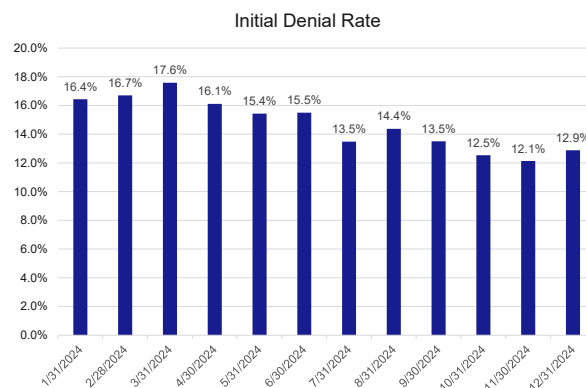


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## Assess Historical Claim Denials for Trends

Perform an analysis of recent historical claim denial data to identify larger trends & themes across the organization & potentially “fatal” denial reasons & issues

Claim Denial Reason Category	Gross Denied (\$)	Gross Denied (%)
Medical Necessity	\$60,000	16%
Past Timely Filing	\$55,000	15%
Coordination of Benefits	\$52,000	14%
Eligibility/Registration	\$49,000	13%
Credentialing	\$48,000	13%
Coding	\$42,000	11%
Additional Documentation Needed	\$40,000	11%
Other	\$10,000	3%
Max Benefit Reached	\$8,000	2%
Billing Error	\$5,000	1%
Bundled	\$2,000	1%
<b>Total Gross Claim Denials</b>	<b>\$371,000</b>	<b>100.0%</b>



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## Identify and Sample Denied Claims

Use denials data analysis to identify a population of accounts to uncover key root cause issues contributing to unpaid claims

Scorecard | Denial Rate - Trending | Denials - Trending | Denials - Details | Denials - Export | Write Off - Trending | Write Off - Export | Reconciliation & Unmapped C... | User G

### CLAIM DENIALS EXPORT DATA

Filter Patient Name or ID #  Service Date Range 11/24/2017  1/2/2023  7/3/2022  Claim Denial Date 1/10/2023  Denied Amount \$0.10

Patient Name	Patient Claim #	Patient ID #	Location Type	Location	Patient T.	Provider	Claim Status	Group Code	Adjustment Reason Category	Rea
Last, First64398480000..	64398480000AAB		Clinic	Rural Health Clinic ..	OP Clinic	MCNICHOLAS HEN.	Processed as Pri..	Patient Responsibility	Eligibility/Registration	26 -
2 Last, First69434480000..	69434480000AAB	MRN# MR00..	Hospital	Demo Hospital	OP	THOMAS, GEORGE	Processed as Pri..	Contractual Obligations	Eligibility/Registration	204

Source: Forvis Mazars Denial Solution Dashboard Demo

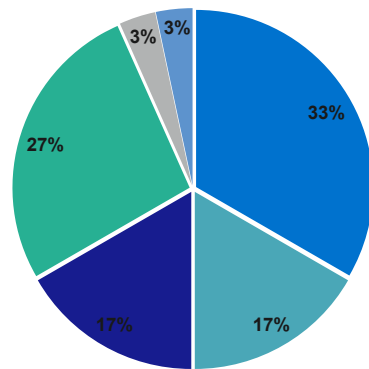
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## Root Cause Analysis and Issue Tracking

Consolidate & discuss root cause issue findings through meetings to steer performance improvement initiatives



Patient Access Related Claim Denials by Root Cause (20 Claim Sample)

- Incorrect Insurance Selected
- Insurance Policy Not Active
- Incorrect Policy Number
- Authorization Not Obtained
- Authorization Obtained for Wrong CPT Code

Source: Forvis Mazars Denial Solution Dashboard Demo

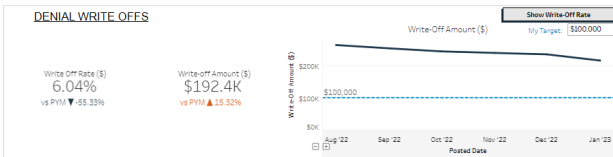
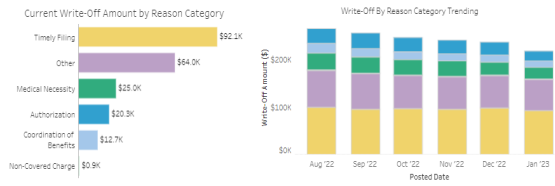
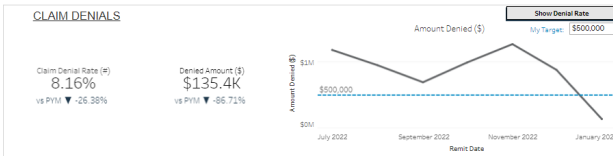
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## Denials Scorecard and Dashboard

Implement an executive level to monitor improvements for visibility into baselines, targets, & industry benchmarks



Source: Forvis Mazars Denial Solution Dashboard Demo

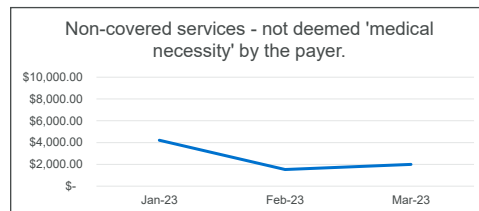
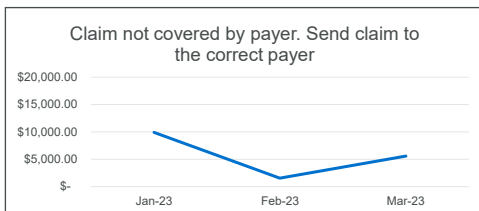
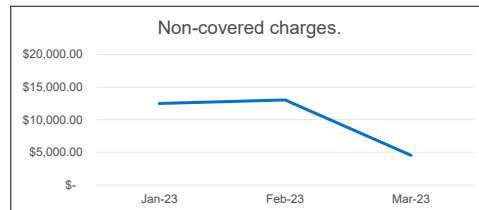
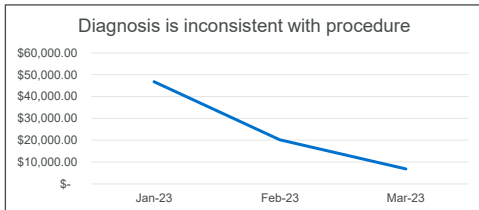
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## Denials Scorecard and Dashboard

Implement an executive level to monitor improvements for visibility into baselines, targets, & industry benchmarks



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## Provider Representative Joint Operations Committee (JOC) Opportunities

Joint Operations Committee (JOC) meetings are not only an important way to improve relationships... they may be contractual requirements

- Regularly Scheduled Meetings
  - Monthly or quarterly depending on availability, payor mix percentage and number of denials
- Agendas Set In Advance
  - Focus on outstanding and/or denied claims and not just trends
- Come Prepared with Data to Tell the Story
  - Establish KPIs in early meetings and discuss performance relative to those KPIs
- Have the Right Audience
  - Health Plan – network and contracting representatives
  - RHC – clinic leadership, billing staff, credentialing, coders
- Be Proactive, Not Reactive
  - Get in front of issues as soon as they're identified

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## Monitoring and Measuring Denials Performance



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## Using Denial Metrics to Trend Performance

Understand key performance metrics to measure organizational denials reduction performance

Metric	Value	Calculation	Primary Data Source
<b>Clean Claim Rate %</b>	Trending indicator of successful claim submissions to the payor	Number of claims submitted that passed edits requiring no manual intervention / number of claims submitted	Claims Submitted Detail – Claim Scrubber
<b>*Remittance Denial Rate % (#)</b>	Trending indicator of % of claims denied by payor	Total number of claims denied / Total number of claims remitted	835 Files
<b>Net Denials Written Off as % of Net Revenue</b>	Trending indicator of revenue lost from denials	Net Dollars written off as denials / Average monthly net patient service revenue	Patient Accounting System & Income Statement

\*A claim should be determined "denied" based on the Claim Adjustment Reason Code (CARC) & group code mapping provided on the response back from the payor. HFMA recommends excluding non-covered denials, denials for patient responsibility, RAC recoupments, duplicate denials, & shadow claims in denial rate

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## Set Organizational Denials Trends and Goals

Establish initial baselines & targets for key performance indicators based on improvement towards industry benchmarks

KPI – RHC	Top Quartile	National Average	ACME RHC (Baseline)	Improvement Opportunity		Target Reduction		
				Top Quartile	Nat. Avg.	Conservative	Moderate	Aggressive
Clean Claim Rate % <sup>1</sup>	97.87%	97.26%	75%	22.87%	22.26%	15.00%	20.00%	25.00%
Remittance Claim Denial Rate % (#) <sup>2</sup>	7.08%	8.50%	15.0%	7.92%	3.00%	3.00%	6.00%	9.00%
Denial Write-Offs as a % of Net Patient Revenue <sup>1</sup>	1.00%	3.00%	4.00%	3.00%	1.00%	0.5%	1%	1.5%

<sup>1</sup> Source: Healthcare Business Insight (HBI) Professional Benchmarks (2024)  
<sup>2</sup> Source: MGMA Data Dive Survey Results for Family Medicine Practices (2024 Data)

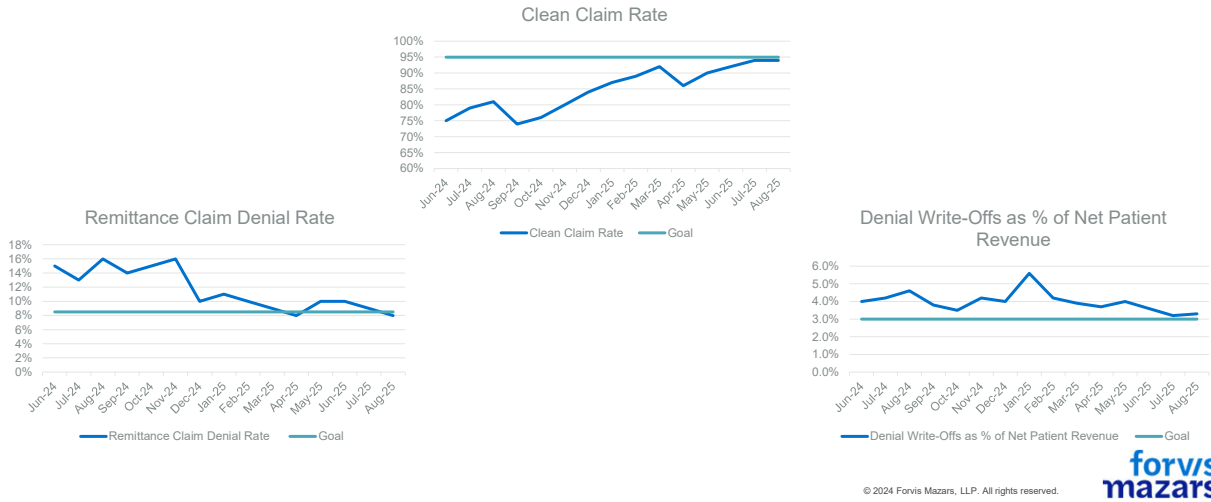
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## Set Organizational Denials Trends and Goals

Continually track identified metrics to determine areas of success and opportunity and proactively identify trends



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# Thank you!

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