Infographic

Preventing Denials Before They Happen

How Predictive Analytics is Reshaping Revenue Cycle Performance

Denials Are a Massive Financial Problem

15% of claims are initially denied[1]

$19.7B spent by hospitals appealing denials[2]

50% of denials are overturned[3]

~90% of denials are preventable[4]

The Problem → Most organizations still focus on managing denials **after they occur** instead of preventing them upstream.

Where Denials Start

Nearly Half Originate in Front-End Workflows

- Eligibility errors
- Coding inconsistencies
- Missing authorizations
- Incorrect payer rules
- Documentation gaps

By the time many claims are submitted, they are already set up to fail.

The Shift In Revenue Cycle

From Retrospective Reporting → Real-Time Prevention

Traditional Model

- ✕ Monthly denial reports
- ✕ Manual rework
- ✕ Reactive appeals

Predictive Model

- ✓ Real-time analytics
- ✓ Denial risk scoring
- ✓ Automated payer rule validation
- ✓ Pre-claim intervention

Nearly half of healthcare executives identify revenue cycle modernization as a top IT investment priority[5]

What Proactive Analytics Delivers

Before Claims Are Submitted

- Real-time eligibility verification
- Documentation validation
- Dynamic authorization tracking
- Payer-specific workflow intelligence
- AI-driven denial risk scoring

Resulting in →

- ✓ Cleaner claims
- ✓ Faster reimbursement
- ✓ Lower cost to collect
- ✓ Reduced rework

Payer Complexity is Accelerating

Medicare Advantage Example

52.8M prior authorizations processed[6]

7.7% requests denied[7]

>80% later overturned[8]

Payers increasingly expect highly accurate, fully aligned submissions the first time.

The Financial Impact

Organizations using proactive analytics gain:

- ✓ Fewer denials
- ✓ Improved cash flow
- ✓ Greater operational efficiency
- ✓ Better payer performance visibility

Denials Can Equal Up to 5% of Net Patient Revenue Loss

The Future of RCM

Stop Managing Denials. Start Preventing Them.

Modern Revenue Cycles Are →

- Predictive
- Automated
- Data-driven
- Continuously optimizing

Bottom Line

The goal is no longer to react faster to denials. It is to prevent them from happening at all.

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1. https://www.kaufmanhall.com/sites/default/files/2025-12/KH-Report_2025 Health-System-Performance-Outlook.pdf
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6. https://www.kff.org/medicare/medicare-advantage-insurers-made-nearly-53-million-prior-authorization-determinations-in-2024/
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