



CASE STUDY

Zero Balance Audit & Recovery

**\$500K
recovered**

"Every hospital should configure their CDM according to each payor's specific billing, coding, and reimbursement rules if they want to get paid accurately. These are among the most common errors we find when auditing zero balance claims."

Nicole Helfrich
Client Delivery Manager
Titan Health

Health system recovers more than \$500K of pharmacy underpayments simply by correcting site of service.

Challenge

A health system in the Southwest saw that certain outpatient services were being significantly underpaid, the payor's reimbursement excluding the cost of the expensive drugs associated with these outpatient treatments.

Solution

Titan analyzed the underpaid claims and discovered that an injection code (CPT code 96377) was being billed with revenue code 361 (operating room; minor surgery). This code combination was triggering the payor to process these claims as outpatient surgeries subject to case-rate reimbursement, an all-inclusive payment that does not reimburse drugs separately. The claims in question contained many costly pharmacy items that were not being reimbursed as a result.

Upon further review of the medical records, Titan learned that the services were not being performed in an operating room (major or minor) and that the hospital's CDM had been incorrectly configured for this payor and CPT code. Corrected claims were resubmitted with CPT code 96377 and revenue code 761 (treatment room), causing the payor to include payment for the costly drugs. Titan's auditors used this case as a training tool for the client and educated them on how to configure their CDM to prevent similar underpayments in the future.

Results

The health system recovered more than \$500K of pharmacy underpayments across the portion of patient accounts assigned to Titan Health for review. Updating their CDM also prevented future claims from being underpaid in the same way.



Titan Health's consultative approach toward revenue management provides customized solutions rooted in urgency and innovation, powered by a blend of technology and deep auditor experience.

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