



# APPEALS & GRIEVANCES MODERNIZATION

A frontline business perspective





# It's time to rethink the appeals & grievances process

## EXECUTIVE SUMMARY

The Appeals and Grievances (A&G) process sits at the intersection of the member and provider experience and an enormously complicated healthcare system. This complex exceptions process spans multiple functions (claims, clinical services, provider, and member relations, etc.), data sources, and a patchwork of legacy systems that can strain resources and put members' health and satisfaction at risk.

Despite the increased emphasis and attention being paid to improving the Appeals and Grievances process across the healthcare industry today, there remains tremendous variability in how healthcare organizations navigate A&G workflows, the use of technology, and their reliance on human intervention to support these processes. The result is costly and inefficient operations, inconsistent member and provider experiences, the potential for non-compliance that can lead to significant financial penalties, as well as the potential for employee burn-out and fatigue.

Leveraging qualitative interviews and conversations with leaders responsible for the A&G lifecycle across payer, provider, and pharmacy benefit manager (PBM) organizations, Pega took a closer look at some of the common challenges and pitfalls organizations face as they look to improve A&G processes. The following summarizes many of the recurrent pain points and offers insights into industry-proven solutions to help your organization overcome these hurdles at scale.

## OVERVIEW

For decades, healthcare organizations have invested heavily in digital transformation and customer experience (CX) improvement initiatives - including appeals and grievances - with the goal of streamlining operations and delivering a better experience for payers, providers, and consumers.

The good news is that early indications show that many of these investments are starting to pay off as evidenced by modest improvements in Net Promoter (NPS), customer satisfaction (CSAT), and other experiential scores. Yet the Appeals and Grievances process remains an area where healthcare organizations continue to struggle.

And while no amount of investment will ever prevent 100% of appeals or grievances from ever occurring, managing the A&G processes effectively, efficiently, and with empathy is an imperative as it relates to compliance with state and government regulations, improving Star performance, avoiding penalties, and delivering a positive member and provider experience

What follows is a closer look at the challenges organizations face, along with an overview of how Pega is helping organizations more effectively manage their A&G processes.

### You've done your best, but?

There will always be circumstances outside of our control where a member will feel slighted by a benefit or treatment decision, an unexpected bill that they do not agree with, or a discussion with a Customer Service Representative that isn't resolved in a manner that aligns with the member's view, or **where** a provider appeals a negative determination or feels they have not been paid according to contract.



## Industry Challenges: A front-line perspective

### High-level A&G Process Flow

Appeals & Grievances represent a complex and highly regulated set of processes, and while workflows are nuanced between organizations, the underlying process flow depicted below largely remains unchanged across the industry.



While each organization's approach to managing these activities will vary, when speaking with multiple industry leaders, many common challenges and key themes emerged\*:

- Inefficient manual workflows
  - o "Our team relies heavily on manual interventions (often relying on MS Excel) which are prone to human error and delays"
  - o "The inability to accurately determine how to categorize an interaction (what makes something an appeal or grievance) leads to bottlenecks"
  - o "Once a hand-off to a different department is made, tracking an appeal or grievance becomes difficult and inefficient"
- Difficulty managing process variation and ability to audit
  - o "We struggle to manage SLAs across LOBs, geography, and customer type – the result is we have multiple processes to support this variability e.g., a government process versus commercial. In addition to the challenges of supporting multiple processes, there is also a high degree of training involved"
- Data challenges
  - o "The inability to access relevant data (including claims data) in real time hampers our ability to determine root cause analysis that might help us avoid future Appeals & Grievances"

\*Quotes sourced from Pega-led discussions with director and executive-level A&G professionals

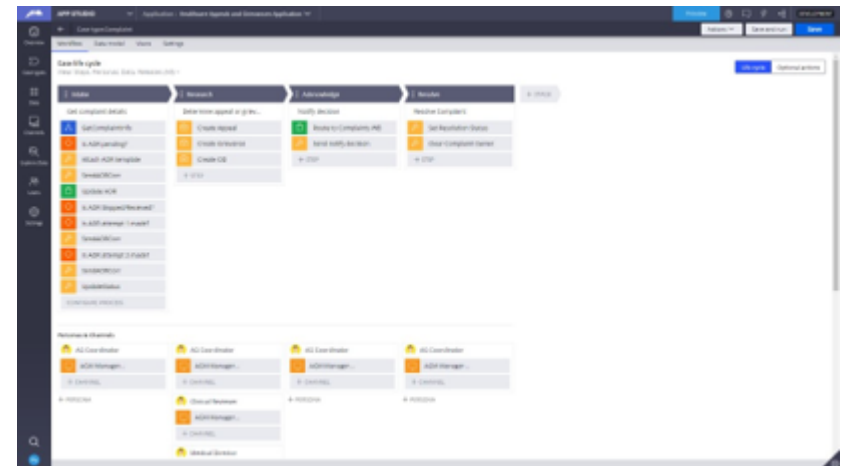
### How can Pega help?

Pega's low-code platform for AI decisioning and workflow automation includes key functionality, data models and industry-ready assets e.g. CMS Universe Reporting: Organization Determination, Appeals & Grievance (ODAG) reports designed to aid payers, providers, Independent Review Organizations (IROs) and other entities in effectively managing the A&G processes.

We highlight below some of the core functionality that directly addresses many of the key challenges faced by industry leaders.

### Replacing Manual Processes with AI driven Workflows

Strong intent-led case management lies at the core of what Pega does. Pega's ability to break-down complex processes into micro-journeys, or discreet stages and steps, allows clients to quickly and efficiently automate and manage workflows across departments, siloes, and systems. The ability to automate complex processes such as those required to support the A&G process greatly reduces the need for human intervention, reduces the potential for error, and streamlines processes to be more efficient.



But what truly sets Pega apart from others in this space is our ability to apply AI to these automated workflows. For example, during intake, A&G staff are tasked with the critically important job of assessing and triaging large volumes of highly complex, highly sensitive customer data into the correct workflows while the clock has already begun ticking on SLAs. Inappropriately identifying a case as an appeal or grievance during that initial assessment results in an inefficient and expensive use of critical resources, leading to delays and eventually bottlenecks which further strain already taxed resources and put pressure on an organization's ability to meet SLAs.

Providing front-line staff with AI-enhanced guided workflows to support proper identification of an appeal or grievance both reduces cognitive friction and improves productivity, with the added benefit of dramatically reducing staff training time by standardizing processes.

Another example of where AI can be used to improve the A&G process specific to SLAs is work prioritization. Most systems alert users once an SLA is missed, but the Pega A&G solution uses AI to predict when an SLA is likely to be missed, alert the user or team in real-time, and automatically re-prioritize work and/or route work to resources that can ensure that the SLA is not missed.

#### Key Takeaways:

- Improvement of overall accuracy resulting from reduced manual interventions
- Consistently correct hand-offs and assignments with workflow tracking and routing capabilities
- Real-time case summaries to ensure ongoing 360 visibility

#### Managing Variability

While the core functions of the A&G process are largely consistent (see high level process flow above), there are often variations at the state or line of business (LOB) level (i.e., Medicaid, Medicare, Commercial) that health plans must account for. To support this variation, health plans are often forced to support multiple instances of an A&G solution(s) rather than a single instance. Supporting multiple instances of an A&G solution to manage this variation results in increased technical debt, further hindering IT's ability to support digital transformation innovation, while simultaneously increasing operational costs and staff overhead.

The Pega platform was purpose-built to support variation across processes by allowing customers to repurpose what is consistent while managing exceptions through configuration as required. For example, a health plan entering a new market as a result of being awarded a Medicaid MCO contract or expanding into a new geography can leverage a single A&G solution to support any unique requirements that they now must adhere to through configurations that support this variation for example, unique state-level correspondence requirements of a post card versus a letter, or different time requirements for completing the correspondence. Rather than having to create multiple processes to support these unique variations, the Pega A&G solution enables clients to simply layer on top of standard processes any exception processes needed.

#### Key Takeaways:

- Reusable and extensible rules and guided workflows
- Multiple SLA support
- LOB or state level variation management at scale

#### Data, Auditing, and Reporting

It is often said that Healthcare has a data problem, and we would agree. But the problem isn't a lack of data, rather, the problem lies in the industry's inability to access data when it is needed to support better outcomes rather than being used to provide a retrospective look into what has already happened, which is the predominant model we see today.

Nowhere is this more true than it is with A&G processing, where you have a set of highly complex processes that stand to benefit tremendously from the real-world insights that can be learned from end-to-end data-driven intelligence. From intake through universal reporting, a modern A&G solution should not only drive dynamic workflows to completion but will leverage data-driven insights to identify potential appeals or grievances upstream before they ever occur. For example, if through analyzing claims data we identify that a



recent change to benefit design is resulting in an increased number of appeals, grievances, or complaints, the ability to surface real-time insights such as these could allow a plan to revisit such decisions, and in the process greatly reduce the unintended consequences certain changes might have on the business.

Pega's ability to tap into data in real time and apply AI ensures organizations have access to the data they need, regardless of the format it is in, or where it resides, to provide the insights and intelligence required to support A&G processes.

Key Takeaways:

- Live Data delivers the ability to leverage data from anywhere
- Only the data needed is used, when and where it's needed
- CMS Universe Reporting is built in

A&G processing can be challenging for any organization, but with the right workflow management, configuration, and automation, your organization can be making strides to improve your A&G SLAs as well as member, provider, and employee satisfaction.

Learn more from Pega today about our A&G accelerator solution and our trusted A&G solution partners.





# Reimagine A&G processing

Follow up with a Pega AE to learn more in a one-on-one session.

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## About Pegasystems

Pega delivers innovative software that crushes business complexity. From maximizing customer lifetime value to streamlining service to boosting efficiency, we help the world's leading brands solve problems fast and transform for tomorrow. Pega clients make better decisions and get work done with real-time AI and intelligent automation. And, since 1983, we've built our scalable architecture and low-code platform to stay ahead of rapid change. Our solutions save people time, so our clients' employees and customers can get back to what matters most.

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