

Midwest Nonprofit Health System Recovers \$4.5M and Achieves 70% Overturn Rate with Near-Shore Clinical Appeals Support

CASE STUDY

Large Nonprofit Integrated Health System

Michigan

- Multi-facility health system with more than **20** hospitals and **300** outpatient locations
- Employs more than **12,000** providers and **16,000** nurses
- Handles well over **100,000** inpatient admissions annually system-wide
- Significant revenue cycle complexity across clinical and administrative domains, including industry-wide pressures related to rising denial rates and labor shortages

OVERVIEW

A large Midwest-based health system was facing increasing financial pressure driven by rising denial volumes, workforce constraints, and limited capacity to address complex clinical denials. While the organization had existing internal resources, it lacked the scalability and specialized expertise to effectively appeal readmission denials at scale. AGS Health partnered with the organization to supplement its internal team, introducing a clinical denials and appeals solution staffed by physicians designed to improve recovery outcomes.

CHALLENGES

- Growing clinical denials backlog with limited internal capacity to address them
- High labor costs and difficulty allocating qualified clinical staff to appeal growing denial volumes
- Limited ability to prioritize and triage appeal-eligible cases
- Inefficient processes leading to missed appeal windows and lost revenue opportunities
- Inconsistent visibility into denial trends and root causes

OUTCOMES

- Achieved **70%** overturn rate on readmission denials (vs. **40%** target)
- Recovered **\$4.5M** within first six months
- **~50%** of appeals still pending, indicating additional recovery potential
- Cleared a significant backlog and maintained ongoing appeal volumes for incoming readmission denials
- Custom analytics and dashboard to identify trends, including those of the **30%** upheld denials, to drive readmission prevention strategies

SOLUTION

AGS Health implemented a targeted denials and appeals solution for inpatient readmissions, leveraging Mexico-based physicians trained by US clinicians with expertise in CDI, care management, utilization management, and physician advisory. This approach combined clinical acumen with revenue cycle best practices to improve appeal quality and outcomes.

The team integrated into the client's existing workflows, collaborating closely with denials management stakeholders to refine processes, including triage protocols to automate prioritization, identify appealable cases, and reduce duplicative efforts. To boost productivity, drafts are generated using a HIPAA-compliant generative AI tool, with clinicians providing the final review and medical justification to ensure an accurate and compelling appeal.

Through ongoing reporting, feedback loops, and process improvements, AGS strengthened both appeals and upstream workflows. For instance, the client-provided procedure applied state-specific government payer guidelines to all appeals. AGS physicians created a payer-specific playbook to enhance appeal consistency, which was shared with the client to support internal teams. This partnership enabled scalable performance improvements aligned with existing operations.



Accelerated Revenue Recovery

Rapidly addressed backlog and recovered millions in denied revenue, with additional upside expected from pending appeals.



Improved Operational Efficiency

Streamlined triage, which allowed the client to focus on existing volumes, meet timely filing for all cases, and focus on high-impact tasks.



Scalable Clinical Expertise

Leveraged physician-level resources to deliver high-quality appeals without the cost burden of domestic staffing.



Identified Denials Drivers

Readmission denial trends were analyzed, providing insights into DRGs, payer behavior, and medical necessity documentation.