Reviewing a Denial and Preparing for an Appeal – Knowledge Check

Instructions: Select the best answer for each question.

1. The primary purpose of reviewing a denial is to:

- A. Automatically overturn payer decisions
- B. React to payer disagreement
- C. Methodically evaluate whether a denial is clinically and strategically worth pursuing
- D. Identify coding opportunities only

2. According to the document, reviewing a denial should begin with:

- A. Calling the payer immediately
- B. Defining the denial clearly and narrowly
- C. Writing an appeal letter
- D. Reviewing the discharge summary only

3. When reviewing a denial rationale, the Physician Advisor should:

- A. Focus only on payer criteria citations
- B. React emotionally to payer disagreement
- C. Extract the true basis of the denial objectively
- D. Ignore boilerplate language entirely

4. Reconstructing the clinical decision at the time of care requires the Physician Advisor to:

- A. Use hindsight based on patient outcome
- B. Focus only on the discharge diagnosis
- C. Consider the risks and uncertainties present at admission
- D. Ignore anticipated clinical course

5. Many denials are related more to:

- A. Fraudulent billing
- B. Documentation gaps than flawed clinical judgment
- C. Nursing staffing issues
- D. Coding software problems

6. Traditional Medicare denials are generally evaluated using:

- A. Proprietary commercial payer criteria only
- B. Employer contract language
- C. Regulatory standards such as the Two-Midnight benchmark
- D. Retrospective outcome analysis alone

7. Which payer environment is described as highly contract-driven and criteria-heavy?

- A. Traditional Medicare
- B. Medicaid fee-for-service
- C. Commercial under-65 plans
- D. Critical Access Hospitals

8. Financial awareness in denials management is important because:

- A. It replaces medical necessity decisions
- B. It helps determine whether appeal pursuit is operationally and financially prudent
- C. It guarantees denial overturns
- D. It eliminates documentation requirements

9. Effective appeals should primarily focus on:

- A. Administrative policy language only
- B. Technical billing terminology
- C. Patient risk and clinical necessity
- D. Payer profitability

10. Which of the following is listed as a common pitfall?

- A. Using clinical reasoning
- B. Reviewing payer behavior patterns
- C. Appealing every denial reflexively
- D. Documenting recommendations clearly

Answer Key and Explanations

1. C — Methodically evaluate whether a denial is clinically and strategically worth pursuing

Denial review is a disciplined process designed to determine whether a denial is clinically defensible and strategically worth pursuing.

2. B — Defining the denial clearly and narrowly

The first step in denial review is identifying the denial precisely, including dates, payer type, and denial stage.

3. C — Extract the true basis of the denial objectively

The Physician Advisor should identify the real basis of the denial without emotional reaction.

4. C — Consider the risks and uncertainties present at admission

Clinical review should focus on what the treating physician reasonably knew at the time of admission.

5. B — Documentation gaps than flawed clinical judgment

Many denials stem from documentation inadequacies rather than poor clinical decision-making.

6. C — Regulatory standards such as the Two-Midnight benchmark

Traditional Medicare denials are reviewed using regulatory standards and physician expectation principles.

7. C — Commercial under-65 plans

Commercial plans are highly contract-driven and often rely heavily on proprietary criteria.

8. B — It helps determine whether appeal pursuit is operationally and financially prudent

Financial awareness supports strategic decision-making regarding whether pursuing an appeal makes operational sense.

9. C — Patient risk and clinical necessity

Strong appeals frame the case clinically by emphasizing patient risk and medical necessity.

10. C — Appealing every denial reflexively

The document warns against reflexively appealing every denial without strategic assessment.

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