



# Central PA HFMA Conference

Q1 Recap and deep dive into Change  
Healthcare Breach impact on providers

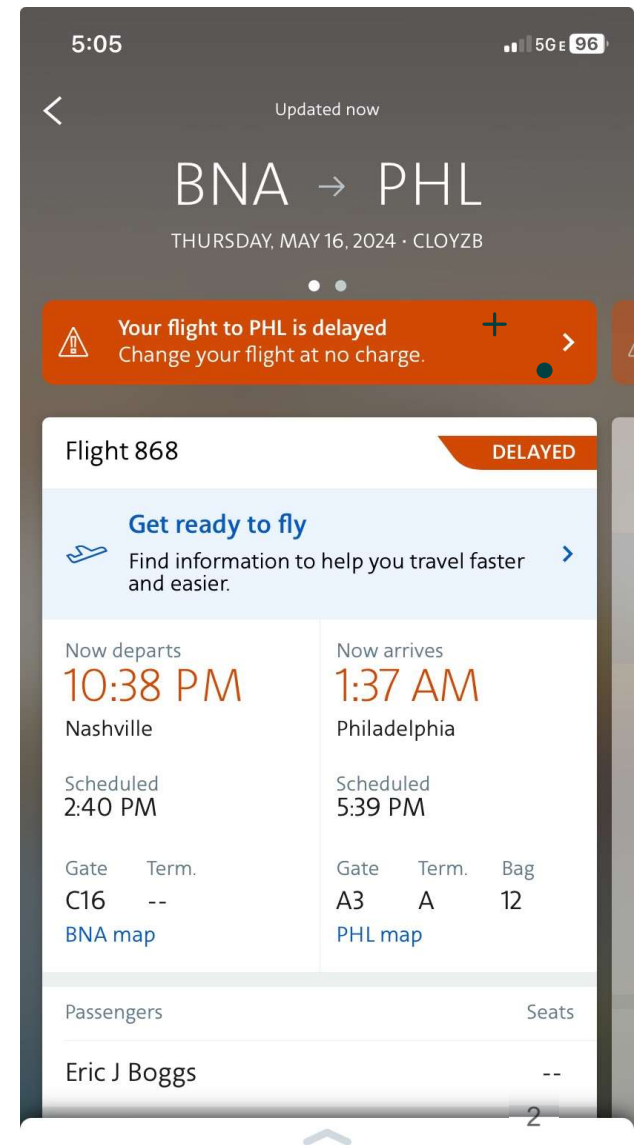
PA HFMA

# Eric's flight yesterday

Updated from a 2:40 PM  
Take off to connect in PHL,  
to a 10:38PM take-off and  
miss connection to MDT?

What would you do?

6/11/2024

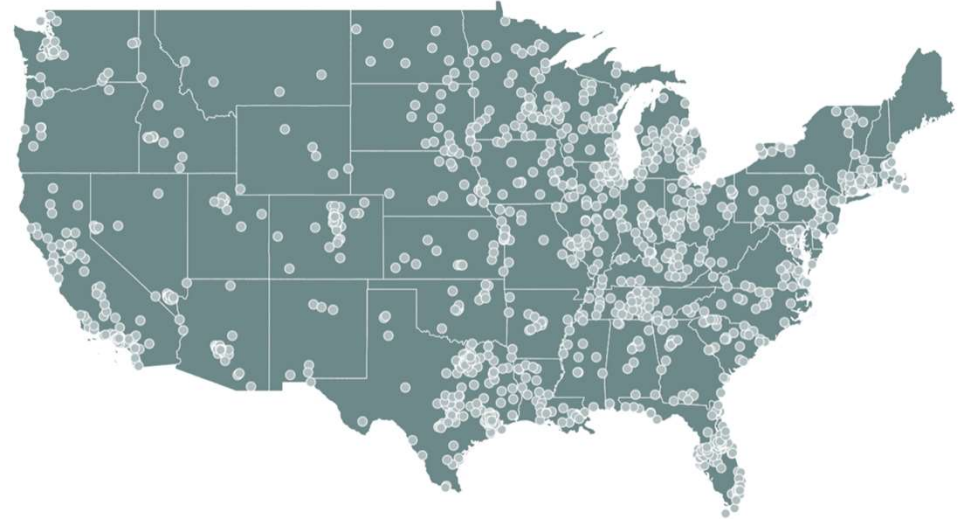


# Kodiak's Benchmarking Database

Normalized Key Performance Indicators

National and Regional lens of performance

Sourced through RCA data that reconciles to the client's G/L



## Kodiak's Benchmarking Peer Population

**\$149.9B**

Open  
AR

**\$1.05T**

Annual Gross  
Revenue



# Kodiak Analytics Metrics List – At Payor / Plan Level

## VOLUMES

- **Payor - IP Net Revenue Per Case**
- **Payor - OP Net Revenue Per Case**
- Payor - IP Admissions (Volume)
- Payor - OP Visit (Volume)
- Payor - Medicare Net Revenue per IP Day

## ACCOUNT RECEIVABLES

- Payor - Cash/60 Day Lagged Net Revenue
- **Payor - Six Months Cash Lag to Net Revenue**
- **Payor - TRUE AR Days**
- Payor - Net AR Days
- Payor - TRUE AR > 90 Days
- Payor - % AR > 90 Days Medicare
- Payor - % AR > 90 Days Medicaid
- Payor - % AR > 90 Days Commercial
- Payor - % AR > 90 Days Self-Pay
- Payor - % AR > 90 Days Other
- Payor - Late Charge % of GPSR
- Payor - Credit Days
- Payor - Credit Liability % of Credit AR

## HIM

- Payor - DNFB Days

## PAYMENT COMPLIANCE

- Payor - Time to Insurance Payment - Overall
- Payor - Time to Insurance Payment - Medicare & Managed Medicare
- Payor - Time to Insurance Payment - Commercial Managed Care
- Payor - Time to Insurance Payment - Medicaid & Managed Medicaid
- Payor - Time to Insurance Payment - Other
- Payor - Time to Insurance Payment < 120 Days
- Payor - Insurance Payments % > 120 Days
- **Payor - Time to Insurance Payment Gap - Denied vs. Non-Denied**
- **Payor - Insurance Payment Gap - Denied vs. Non-Denied**
- Payor - Final Denial Write-Offs
- Payor - Final Denial & Administrative Adjustments
- **Payor - Initial Denial Rate**
- Payor - Initial Denial Rate - Medicare & Managed Medicare
- Payor - Initial Denial Rate - Commercial Managed Care
- Payor - Initial Denial Rate - Medicaid & Managed Medicaid
- Payor - Initial Denial Rate - Other Payor
- Payor - Initial Denial Rate - Auth/Precert
- Payor - Initial Denial Rate - Billing/Claim Issue
- Payor - Initial Denial Rate - Coordination of Benefits
- Payor - Initial Denial Rate - Coverage/Eligibility
- Payor - Initial Denial Rate - Duplicate
- Payor - Initial Denial Rate - Medical Necessity
- Payor - Initial Denial Rate - Non-Covered Services
- Payor - Initial Denial Rate - Request for Information
- Payor - Initial Denial Rate - Timely Filing
- Payor - Initial Denial Rate - Other

## REGISTRATION

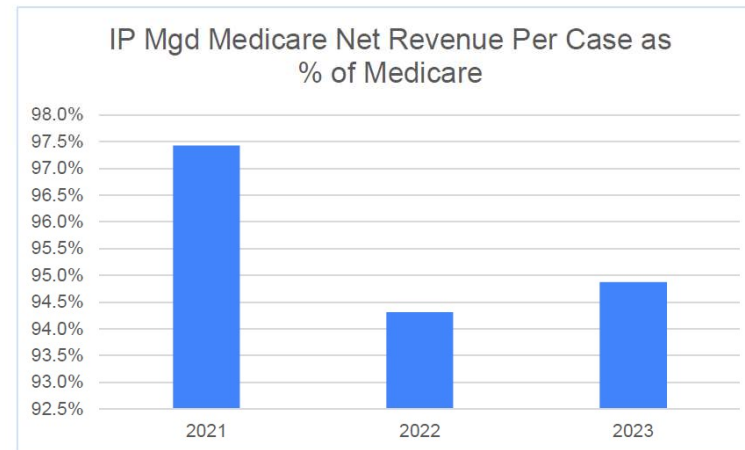
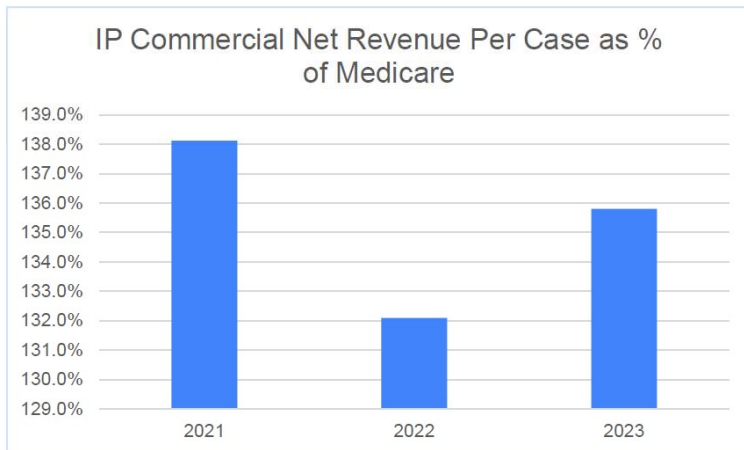
- **Payor - Patient Responsibility % of GPSR**
- Payor - Patient Collection Rate – Managed Care/Commercial
- Payor - Patient Responsibility – Managed Care/Commercial (% of allowed amount)
- Payor - POS Cash Collections % of Patient Cash
- Inpatient Self-Pay Conversion Rate

## UNCOMPENSATED CARE

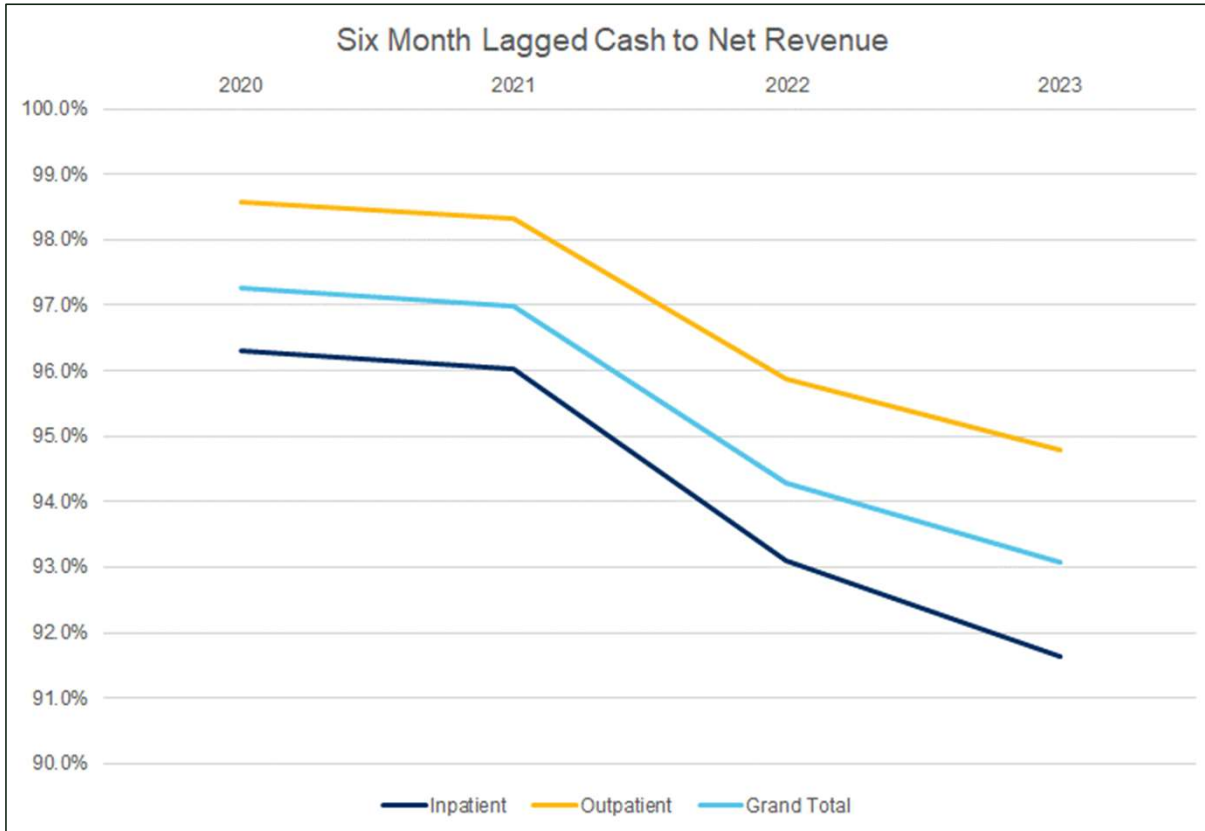
- Payor - Uncompensated Care % of GPSR
- Payor - Bad Debt % of GPSR
- Payor - Charity % of GPSR
- Payor - Charity % of Uncompensated Care
- Payor - Self-Pay After Insurance Bad Debt % of Total Bad Debt
- **Payor - Self-Pay After Insurance Uncompensated Care % of Total Uncompensated Care**

# National Revenue Cycle Trends – Negative Pressure on Inpatient Reimbursement and Aging A/R

KPI Description	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	Q2 2023	Q3 2023
Final Denial Write-Offs (% Of NPSR)	1.9%	2.1%	1.9%	2.3%	2.2%	2.3%	2.0%	2.7%	2.9%	3.2%	2.8%
Initial Denial Rate	10.8%	9.6%	10.2%	10.4%	11.0%	10.7%	11.0%	11.8%	11.9%	11.9%	12.2%
Initial Denial Rate - Auth/Precert	1.3%	1.4%	1.4%	1.4%	1.6%	1.6%	1.7%	1.5%	1.6%	1.7%	1.8%
Initial Denial Rate - Medical Necessity	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%	1.1%
True AR Aged > 90 Days	31.5%	32.6%	33.4%	33.8%	34.7%	35.7%	36.4%	36.4%	35.9%	36.0%	36.0%

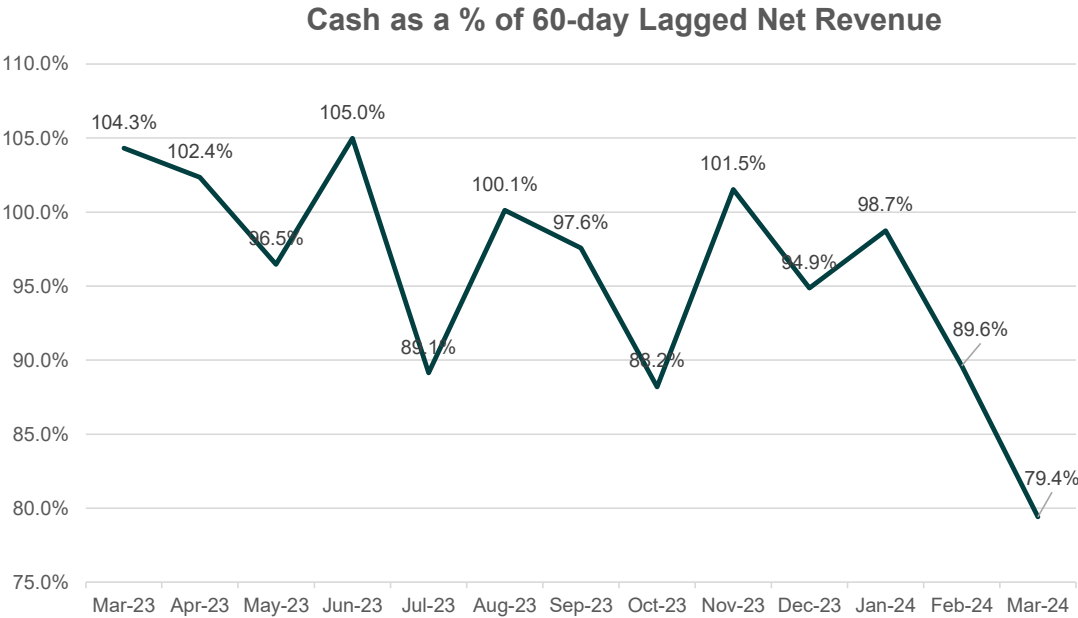


# Leveraging Benchmarking to Monitor Trends



- ✓ Growth in Initial denials on inpatient claims has depressed cash to net revenue
- ✓ Denials growth is focused within the Managed Medicare Payor Group
- ✓ Aged AR >90 has grown in 2023 due to increased denials and extended adjudication cycles
- ✓ Yield on Inpatient Managed Medicare has fallen below Traditional Medicare
- ✓ Bad Debt on Insured Patients now accounts for over 50% of all bad debt transactions nationwide

# Change Healthcare Impact



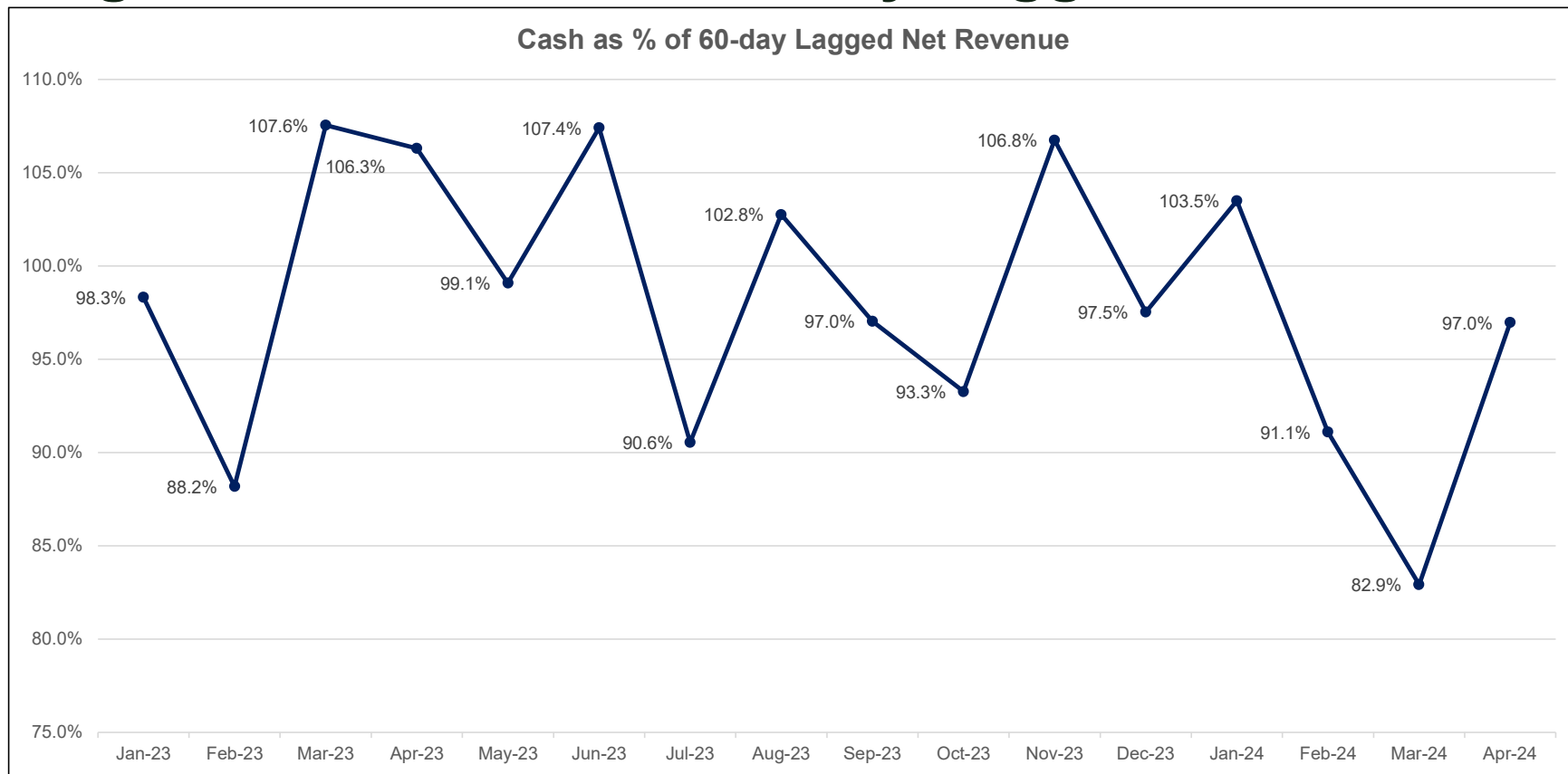
If cash performed at the previous 10-month average of 96.9% over February and March 2024, providers within Kodiak’s benchmarking community would have achieved an additional **\$6.4B** in cash collections

# Detailed Cash Metrics

KPI	Payor Group		January	February	March
Cash As % of 60 Day Lagged Net Revenue	Overall	KPI Value	98.39%	88.19%	78.79%
		YTD Change		-10.37%	-19.92%
	Commercial / All Managed Care	KPI Value	100.15%	84.01%	81.25%
		YTD Change		-16.12%	-18.87%
	Medicaid - Managed Care	KPI Value	117.20%	100.42%	80.47%
		YTD Change		-14.32%	-31.34%
	Medicare - Managed Care	KPI Value	99.95%	93.03%	80.00%
		YTD Change		-6.93%	-19.96%
	Medicare - Traditional	KPI Value	97.18%	95.65%	81.77%
		YTD Change		-1.58%	-15.86%
	Self Pay	KPI Value	21.06%	29.18%	22.48%
		YTD Change		38.60%	6.77%
Six-Month Lagged Cash to Net Revenue	Overall	KPI Value	95.04%	93.31%	94.44%
		YTD Change		-1.81%	-0.63%
	Commercial / All Managed Care	KPI Value	96.70%	96.07%	96.29%
		YTD Change		-0.65%	-0.43%
	Medicaid - Managed Care	KPI Value	96.27%	95.14%	96.53%
		YTD Change		-1.17%	0.27%
	Medicare - Managed Care	KPI Value	93.39%	92.26%	92.07%
		YTD Change		-1.21%	-1.41%
	Medicare - Traditional	KPI Value	96.11%	90.60%	94.49%
		YTD Change		-5.74%	-1.69%
	Self Pay	KPI Value	46.78%	40.77%	46.11%
		YTD Change		-12.86%	-1.44%



# Insights – Cash as % of 60-day Lagged Net Revenue



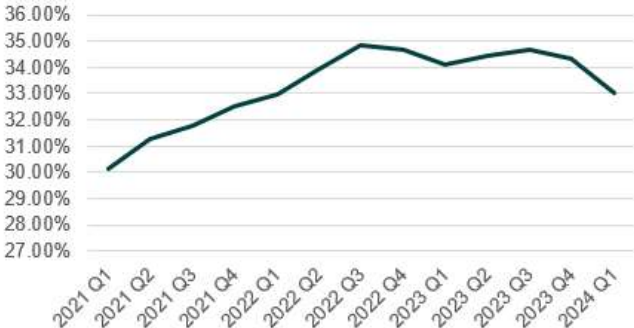
# Change Healthcare Impact - Participation



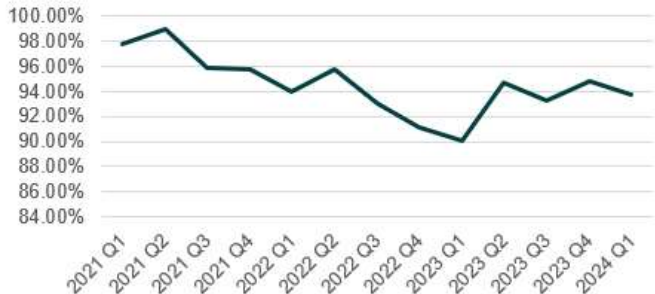
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# AR/Cash Trends

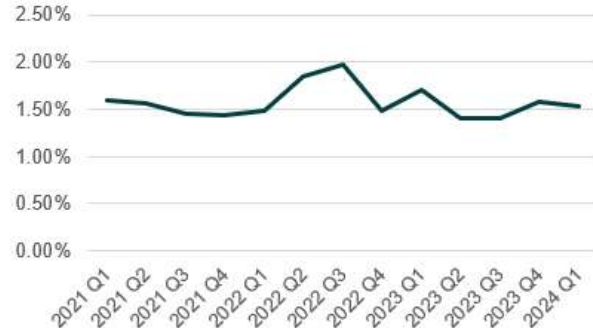
True AR Aged > 90 Days



Six-Month Lagged Cash to Net Revenue

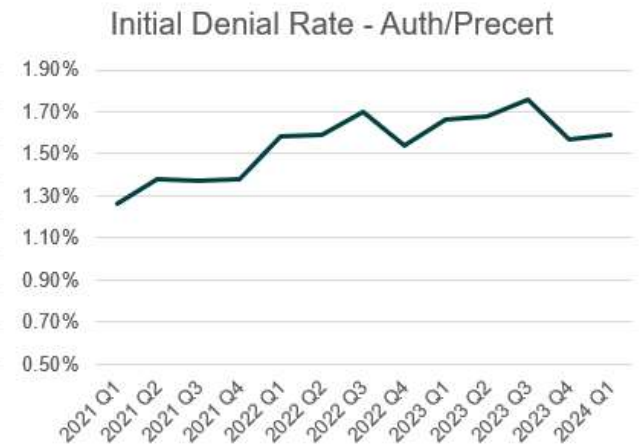
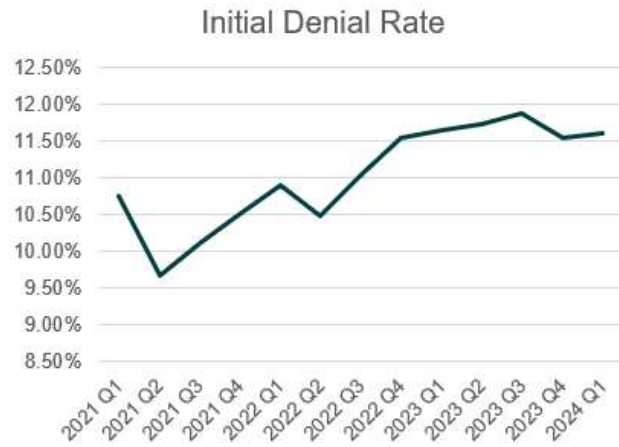
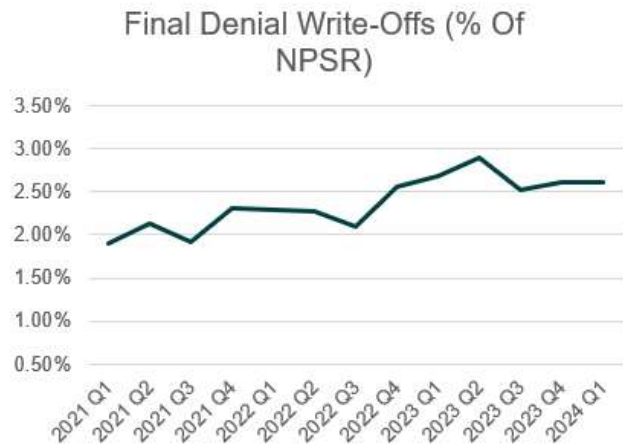


Takebacks As % Of AR



KPI Description	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
True AR Aged > 90 Days	30.14%	31.27%	31.75%	32.51%	32.98%	33.91%	34.86%	34.68%	34.13%	34.45%	34.68%	34.36%	33.02%
Six-Month Lagged Cash to Net Revenue	97.81%	98.91%	95.82%	95.76%	93.94%	95.78%	92.98%	91.07%	90.01%	94.66%	93.31%	94.82%	93.77%
Takebacks As % Of AR	1.60%	1.56%	1.46%	1.43%	1.48%	1.85%	1.97%	1.49%	1.70%	1.41%	1.41%	1.58%	1.53%

# Denials Trends



KPI Description	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Final Denial Write-Offs (% Of NPSR)	1.90%	2.14%	1.92%	2.31%	2.30%	2.27%	2.09%	2.55%	2.69%	2.90%	2.52%	2.61%	2.62%
Initial Denial Rate	10.76%	9.67%	10.12%	10.50%	10.89%	10.48%	11.04%	11.54%	11.64%	11.74%	11.88%	11.55%	11.60%
Initial Denial Rate - Auth/Precert	1.26%	1.38%	1.37%	1.38%	1.58%	1.59%	1.70%	1.54%	1.66%	1.68%	1.76%	1.57%	1.59%
Initial Denial Rate - Medical Necessity	0.85%	0.88%	0.89%	0.93%	0.81%	0.85%	0.86%	0.93%	0.89%	0.93%	0.98%	1.01%	0.95%

# Denials Trends – Final Denials

		Final Denials Trending												
In Out Type	Kodiak Payor	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Inpatient	Commercial / All Managed Care	1.02%	1.31%	0.91%	1.40%	1.51%	1.72%	1.23%	1.65%	2.05%	1.92%	1.67%	1.81%	1.84%
	Medicaid - Managed Care	2.67%	3.56%	2.82%	3.20%	3.72%	3.74%	4.38%	3.20%	4.42%	4.24%	3.24%	4.24%	3.57%
	Medicaid - Traditional	20.99%	22.04%	20.80%	21.18%	42.77%	21.87%	12.84%	13.66%	12.47%	15.14%	10.76%	20.40%	15.39%
	Medicare - Managed Care	2.11%	2.52%	2.26%	3.00%	2.46%	2.65%	2.71%	3.53%	3.69%	4.19%	3.32%	3.62%	3.41%
	Medicare - Traditional	0.72%	1.00%	0.95%	0.97%	1.11%	1.10%	0.88%	1.34%	1.18%	1.42%	1.18%	1.27%	1.28%
Outpatient	Commercial / All Managed Care	1.69%	1.69%	1.56%	1.76%	1.90%	1.86%	1.74%	2.00%	2.20%	2.24%	2.14%	2.05%	2.31%
	Medicaid - Managed Care	6.66%	6.72%	6.61%	7.48%	7.67%	5.60%	5.70%	6.19%	6.32%	7.27%	6.69%	6.60%	6.38%
	Medicaid - Traditional	9.20%	7.96%	8.12%	8.61%	7.37%	6.22%	5.62%	7.78%	8.15%	6.33%	5.32%	5.54%	5.92%
	Medicare - Managed Care	4.68%	4.41%	4.03%	4.82%	5.10%	3.85%	4.28%	4.64%	4.75%	5.29%	4.88%	4.72%	5.04%
	Medicare - Traditional	2.60%	2.58%	2.39%	2.86%	2.94%	2.50%	2.09%	2.89%	2.58%	2.78%	2.48%	2.62%	2.93%



# Denials Trends – Initial Denials

		Initial Denials Trending - All Categories												
In Out Type	Kodiak Payor	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Inpatient	Commercial / All Managed Care	19.50%	17.27%	16.90%	17.35%	17.98%	17.77%	17.43%	18.25%	18.36%	17.47%	18.30%	17.32%	18.66%
	Medicaid - Managed Care	15.79%	14.19%	19.16%	17.68%	18.53%	16.57%	18.80%	21.25%	21.43%	20.82%	21.40%	21.98%	20.74%
	Medicaid - Traditional	26.92%	22.45%	23.52%	26.34%	25.61%	22.63%	25.57%	26.20%	27.37%	27.81%	28.34%	28.88%	25.13%
	Medicare - Managed Care	8.52%	8.75%	8.38%	8.86%	9.85%	9.68%	10.41%	10.84%	10.34%	11.01%	10.11%	9.54%	9.28%
	Medicare - Traditional	3.93%	3.87%	3.71%	4.08%	4.11%	3.97%	4.17%	3.84%	4.26%	4.39%	4.25%	4.49%	4.19%
Outpatient	Commercial / All Managed Care	10.50%	9.66%	9.69%	9.44%	10.06%	9.89%	9.73%	10.24%	9.95%	10.28%	10.37%	10.10%	10.65%
	Medicaid - Managed Care	10.04%	9.55%	10.65%	10.67%	10.01%	9.24%	10.63%	12.18%	12.84%	12.69%	12.56%	13.51%	12.90%
	Medicaid - Traditional	15.69%	13.84%	14.21%	15.22%	15.17%	13.73%	15.06%	13.30%	14.37%	14.71%	14.53%	14.12%	15.07%
	Medicare - Managed Care	8.68%	7.71%	8.36%	8.83%	9.34%	8.94%	8.52%	8.74%	9.16%	9.16%	9.26%	8.70%	8.82%
	Medicare - Traditional	3.63%	3.28%	3.27%	3.40%	3.76%	3.62%	3.59%	3.58%	3.42%	3.74%	3.72%	3.82%	3.80%

# Denials Trends – Initial Denials – Auth Denials

		Initial Denials Trending - Auth Denials												
In Out Type	Kodiak Payor	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Inpatient	Commercial / All Managed Care	1.59%	1.72%	1.72%	1.76%	2.05%	2.26%	2.51%	2.09%	2.26%	2.21%	2.33%	2.30%	2.34%
	Medicaid - Managed Care	4.00%	4.44%	4.45%	4.05%	4.35%	4.15%	5.13%	4.07%	4.26%	4.18%	4.30%	3.97%	3.84%
	Medicaid - Traditional	2.78%	3.17%	2.68%	2.55%	2.27%	2.32%	2.36%	2.54%	3.08%	3.10%	3.42%	3.38%	2.37%
	Medicare - Managed Care	1.99%	2.61%	2.33%	2.45%	3.04%	3.26%	3.12%	2.61%	2.62%	2.88%	3.06%	2.31%	2.42%
	Medicare - Traditional	0.07%	0.09%	0.10%	0.11%	0.19%	0.16%	0.16%	0.14%	0.14%	0.12%	0.20%	0.17%	0.11%
Outpatient	Commercial / All Managed Care	1.23%	1.20%	1.13%	1.22%	1.37%	1.36%	1.34%	1.32%	1.40%	1.43%	1.37%	1.28%	1.31%
	Medicaid - Managed Care	1.27%	1.58%	1.39%	1.50%	1.45%	1.31%	1.35%	1.29%	1.28%	1.30%	1.37%	1.29%	1.29%
	Medicaid - Traditional	0.98%	1.15%	1.08%	1.21%	1.30%	1.27%	1.23%	1.04%	1.13%	0.99%	1.00%	0.87%	0.86%
	Medicare - Managed Care	1.23%	1.19%	1.06%	1.26%	1.65%	1.54%	1.52%	1.37%	1.43%	1.29%	1.35%	1.35%	1.19%
	Medicare - Traditional	0.08%	0.07%	0.08%	0.09%	0.16%	0.12%	0.13%	0.12%	0.12%	0.12%	0.15%	0.13%	0.14%

# Denials Trends – Initial Denials – Medical Necessity

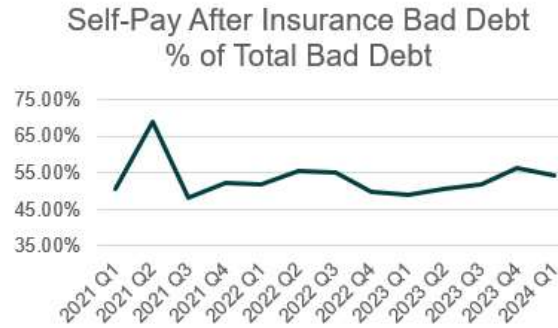
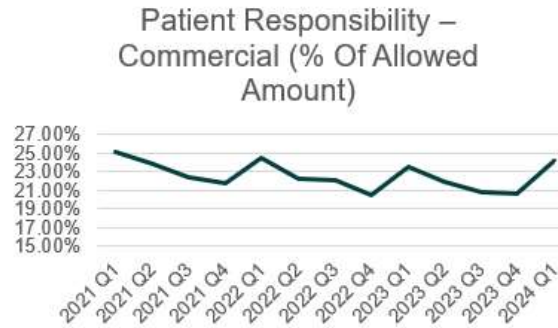
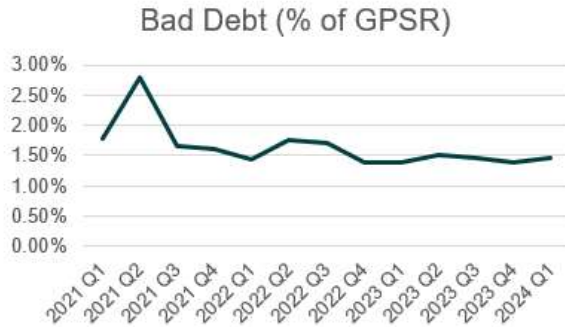
		Initial Denials Trending - Medical Necessity												
In Out Type	Kodiak Payor	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Inpatient	Commercial / All Managed Care	1.67%	1.67%	1.66%	1.56%	1.39%	1.49%	1.48%	1.93%	1.65%	1.80%	2.16%	2.12%	2.25%
	Medicaid - Managed Care	1.69%	1.33%	0.94%	1.77%	1.85%	1.51%	1.19%	0.95%	1.29%	1.38%	1.20%	1.17%	1.09%
	Medicaid - Traditional	0.21%	0.27%	0.33%	0.37%	0.27%	0.20%	0.27%	0.32%	0.35%	0.31%	0.36%	0.63%	0.40%
	Medicare - Managed Care	0.93%	1.35%	1.34%	1.57%	0.92%	1.31%	1.37%	1.26%	1.03%	1.05%	1.05%	1.24%	0.97%
	Medicare - Traditional	0.40%	0.31%	0.24%	0.35%	0.25%	0.26%	0.21%	0.20%	0.26%	0.27%	0.31%	0.29%	0.23%
Outpatient	Commercial / All Managed Care	0.54%	0.53%	0.54%	0.53%	0.61%	0.60%	0.58%	0.56%	0.55%	0.59%	0.61%	0.57%	0.52%
	Medicaid - Managed Care	0.50%	0.43%	0.84%	0.57%	0.60%	0.58%	0.75%	1.15%	1.17%	1.16%	1.07%	1.14%	1.14%
	Medicaid - Traditional	1.00%	1.02%	1.18%	0.92%	0.84%	0.86%	0.92%	0.83%	0.92%	1.10%	0.96%	1.00%	0.96%
	Medicare - Managed Care	0.85%	0.86%	0.90%	0.88%	0.83%	0.80%	0.85%	0.92%	0.90%	0.98%	1.02%	1.05%	1.00%
	Medicare - Traditional	1.00%	1.07%	0.98%	0.99%	0.99%	1.05%	1.01%	1.01%	0.96%	0.97%	1.05%	0.94%	0.93%



# Denials Trends – Initial Denials – Request for Information

		Initial Denials Trending - Request for Information												
In Out Type	Kodiak Payor	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Inpatient	Commercial / All Managed Care	8.15%	7.45%	6.86%	7.57%	7.38%	6.99%	6.68%	7.02%	7.36%	6.81%	6.72%	6.21%	6.87%
	Medicaid - Managed Care	3.90%	3.48%	4.03%	5.35%	4.53%	4.08%	4.43%	4.85%	4.86%	5.42%	5.05%	5.20%	4.60%
	Medicaid - Traditional	6.62%	4.52%	4.77%	6.29%	5.56%	5.01%	5.09%	5.77%	6.00%	6.07%	5.99%	6.62%	6.49%
	Medicare - Managed Care	1.49%	1.84%	1.59%	1.74%	2.41%	2.16%	2.32%	3.09%	2.70%	3.58%	2.69%	2.26%	2.25%
	Medicare - Traditional	0.39%	0.33%	0.30%	0.38%	0.47%	0.46%	0.55%	0.47%	0.57%	0.55%	0.60%	0.56%	0.49%
Outpatient	Commercial / All Managed Care	3.98%	3.55%	3.69%	3.40%	3.51%	3.23%	3.21%	3.42%	3.36%	3.43%	3.41%	3.57%	3.71%
	Medicaid - Managed Care	3.01%	2.77%	2.65%	2.92%	2.59%	2.55%	2.75%	3.00%	2.94%	3.42%	3.08%	3.22%	3.13%
	Medicaid - Traditional	5.20%	4.18%	4.13%	4.34%	3.91%	3.46%	3.24%	3.32%	3.30%	3.38%	3.00%	3.24%	3.59%
	Medicare - Managed Care	2.06%	1.89%	2.07%	2.13%	2.12%	1.92%	1.75%	2.15%	2.06%	2.20%	2.36%	2.00%	1.88%
	Medicare - Traditional	0.47%	0.34%	0.38%	0.44%	0.50%	0.43%	0.49%	0.42%	0.49%	0.52%	0.46%	0.43%	0.44%

# Patient Responsibility Trends



KPI Description	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Bad Debt (% of GPSR)	1.77%	2.79%	1.66%	1.62%	1.44%	1.75%	1.70%	1.39%	1.38%	1.52%	1.46%	1.39%	1.46%
Patient Responsibility – Commercial (% Of Allowed Amount)	25.07%	23.84%	22.34%	21.81%	24.43%	22.31%	22.02%	20.48%	23.59%	21.95%	20.85%	20.65%	24.18%
POS Cash Collections	18.77%	18.15%	16.72%	16.92%	19.93%	18.00%	17.80%	17.47%	20.89%	18.51%	18.58%	18.89%	22.79%
Self-Pay After Insurance Bad Debt % of Total Bad Debt	50.75%	68.77%	48.23%	52.16%	51.94%	55.33%	55.01%	49.92%	49.20%	50.52%	51.79%	56.40%	54.33%

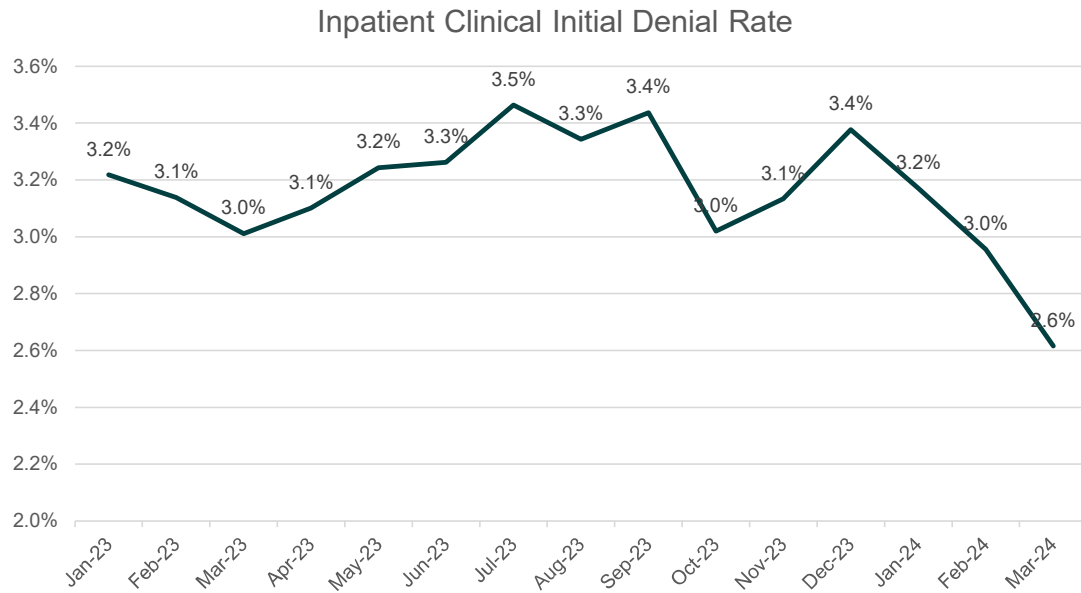


# Denials Improvement: Initial Denials from January 2023- March 2024

KPI Description	Jan-	Feb-	Mar-	Apr-	May-	Jun-	Jul-	Aug-	Sep-	Oct-	Nov-	Dec-	Jan-	Feb-	Mar-
Initial Denial Rate	12.0%	11.4%	11.5%	12.0%	11.4%	11.6%	12.0%	11.9%	11.6%	11.7%	11.0%	11.8%	12.2%	11.1%	10.6%
Auth/Precert	1.7%	1.7%	1.6%	1.6%	1.7%	1.7%	1.8%	1.7%	1.7%	1.5%	1.5%	1.6%	1.6%	1.5%	1.5%
Billing/Claim Issue	0.5%	0.4%	0.5%	0.5%	0.4%	0.4%	0.5%	0.5%	0.5%	0.7%	0.5%	0.4%	0.4%	0.4%	0.4%
Coordination of Benefits	1.1%	1.1%	1.1%	1.2%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.1%	1.2%	1.2%	1.2%	1.1%
Coverage/Eligibility	1.5%	1.3%	1.4%	1.2%	1.3%	1.1%	1.4%	1.3%	1.2%	1.4%	1.3%	1.3%	1.6%	1.5%	1.1%
Duplicate	0.9%	0.8%	1.0%	0.8%	0.9%	1.0%	0.9%	0.9%	0.8%	0.8%	0.8%	1.3%	1.2%	0.8%	1.0%
Medical Necessity	0.9%	0.9%	0.8%	0.9%	0.9%	0.9%	1.0%	0.9%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.8%
Non-Covered Services	1.6%	1.6%	1.6%	1.7%	1.6%	1.8%	1.7%	1.7%	1.7%	1.5%	1.7%	1.6%	1.6%	1.5%	1.4%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Request for Information	3.5%	3.1%	3.3%	3.8%	3.2%	3.4%	3.3%	3.4%	3.2%	3.4%	3.0%	3.2%	3.4%	3.1%	3.2%
Timely Filing	0.2%	0.4%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%	0.1%

Kodiak Payor	Jan-	Feb-	Mar-	Apr-	May-	Jun-	Jul-	Aug-	Sep-	Oct-	Nov-	Dec-	Jan-	Feb-	Mar-
Commercial / All Managed Care	14.0%	13.1%	13.3%	13.1%	13.3%	13.3%	13.2%	14.2%	13.3%	13.0%	12.6%	13.6%	14.1%	14.0%	12.9%
Medicaid - Managed Care	17.5%	16.5%	18.0%	17.5%	16.7%	16.3%	17.0%	17.1%	17.0%	18.5%	17.3%	17.7%	16.6%	17.3%	15.8%
Medicaid - Traditional	21.1%	22.3%	22.0%	21.7%	23.0%	21.6%	24.6%	21.0%	21.3%	21.5%	22.8%	23.3%	23.1%	21.3%	21.4%
Medicare - Managed Care	9.8%	9.9%	10.0%	11.1%	9.5%	10.2%	10.3%	9.4%	9.5%	9.1%	8.9%	9.5%	9.6%	8.0%	8.1%
Medicare - Traditional	4.3%	3.9%	3.5%	4.1%	3.9%	4.2%	4.2%	3.9%	3.9%	4.0%	3.8%	4.6%	4.5%	3.6%	3.8%

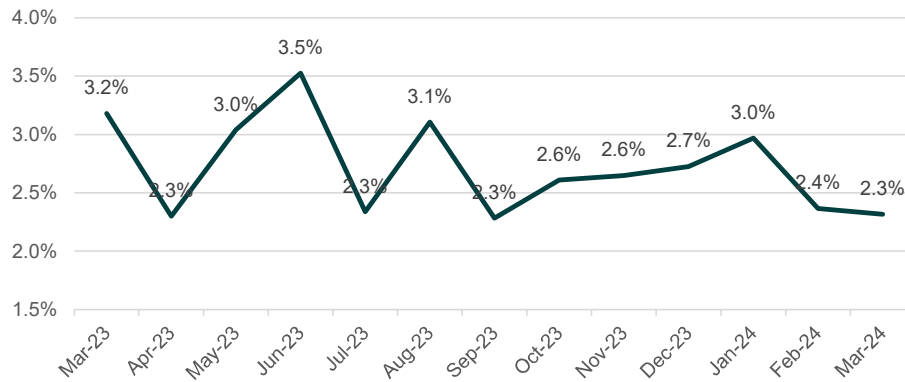
# Inpatient vs Observation Initial Denial Rate



Initial Clinical (Auth + Medical Necessity) Denials have decreased in Q1 with most notable decrease occurring in March 2024

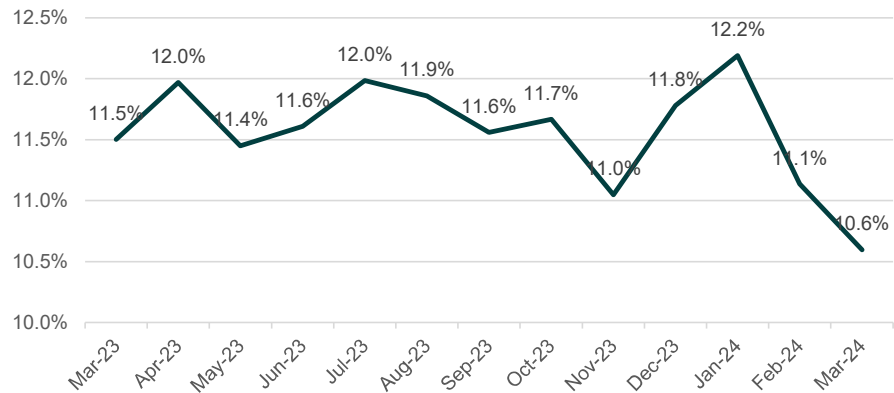
# Denials Improvement

Final Denials as a % of NPSR



Q1 2024 ended with two consecutive months below 2.5% in final denial write-offs

Initial Denial Rate (\$)



The initial denial rate in March 2024 was the lowest in last 12 months.