


Northwell Health turns to AI to improve revenue cycle management

Article



The news: Northwell Health signed a 10-year partnership with clinical AI solutions company Clinithink to use its AI-powered natural language processing (NLP) solution (CLiX revenue) to improve revenue cycle management (RCM).

- For context, Northwell Health is the largest health system in New York, with **22 hospitals** and **over 800 outpatient facilities**.

How CLiX revenue works: It uses NLP tech to automate document processing (including initial chart reviews and claims). It can process millions of documents in hours rather than days, and automates RCM functions that would otherwise have to be processed manually.

How Northwell will be implementing it:

- The health system will first deploy CLiX to improve its review process and accuracy for its case management.
- Northwell can now build out its revenue cycle review process without having to increase staff costs—critical amid the nationwide healthcare workforce shortage.
- It also plans to use CLiX to better manage claims denials—something that’s a huge source of revenue leakage for many health systems. In 2021, the **average cost of an inpatient claims denial was \$5,300**, and **outpatient claims denial was \$585**, per Hayes’ Healthcare Audit and Revenue Integrity analysis.

The bigger picture: The pandemic revealed vulnerabilities in health systems’ RCM processes, which drove more and more health systems to invest in RCM solutions.

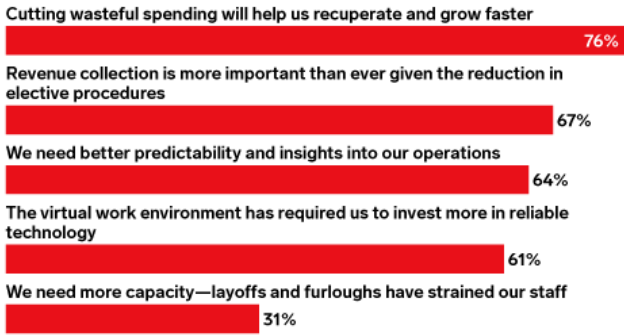
- Health systems and hospitals experienced **nearly \$203 billion in losses** in the first few months of the pandemic alone (largely due to low patient volumes and other COVID-19 related costs), per the AHA.
- Claims denial rates also reached an all-time high: The average denials rate was **11.1% by the third quarter of 2020—up 23% since 2016**, according to Change Healthcare’s analysis. And 86% of them were potentially avoidable.
- It makes sense that health systems want to tighten their RCM to cushion against future financial hits and have enough capital to fund their growth strategies.

Why AI + RCM make a power duo: Automating traditional RCM processes with AI can help health systems free up more time and money to focus on other strategic healthcare initiatives (like digital health transformation).

- **56% of healthcare execs** said they’re accelerating their AI plans because of the pandemic, per Optum’s AI in Health Care survey.
- Plus, there are AI applications beyond just NLP: For example, predictive analytics can be used to anticipate revenue cycle needs, predict denials before they happen, and pinpoint inefficiencies at particular stages of RCM.

Factors Driving Automation Investment and Growth in Healthcare According to US Healthcare Leaders, Dec 2020

% of respondents



Note: n=75
Source: Sage Growth Partners, "The State of Healthcare Automation" sponsored by Olive, March 9, 2021

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