



Clinical Documentation Excellence Part 2: Reimbursement & Revenue **Driving Financial Integrity & Patient Care**

Valorie Clouse
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Series Overview



Part One:
Compliance &
Risk Mitigation



Part Two:
Reimbursement
& Revenue



Part Three:
Complex &
Clinical Denials

Learning Objectives



Identify how documentation affects reimbursement

Demonstrate ways to improve documentation for appropriate payment

Discuss aligning clinical and financial goals through documentation practices



Financial Story of Documentation

The Financial Story of Care

- | Documentation is the data that drives reimbursement, risk adjustment, and audit exposure.
- | Accurate documentation helps hospitals secure payment for the care provided.



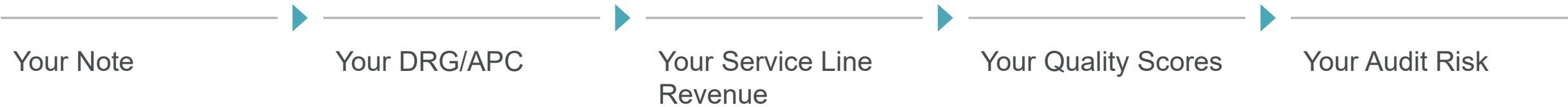
Goal: align clinical accuracy, coding integrity, and financial performance.


The Financial Story of Care

How Documentation Becomes Payment



Provider's Version





The Goal: Align clinical accuracy with coding integrity, compliance protection, and financial performance through documentation excellence

Why Documentation Matters



Every word can impact payment, compliance, and quality scores.



Missing details = lost revenue and increased audit risk.



Documentation is the foundation of financial sustainability.

Reimbursement 101

Why Documentation Matters



Documentation determines DRG, SOI/ROM, and payment tier.



Documentation drives case mix index (CMI), value-based purchasing, and risk adjustment.



Hospitals are paid—and audited—based on what is documented, not just what is done.



Revenue Cycle Linkage & Payor Expectation

Linking Documentation to the Revenue Cycle



CDI bridges
clinical care, coding,
and finance.



Documentation influences
patient status, medical
necessity, DRG assignment,
and claim defense.



Prevention starts with
documentation—not denial
management.

Payor Expectations



Medical necessity
documentation



Justification for inpatient
vs. observation status



Alignment with
CMS and commercial
payor guidelines

Denial Prevention Starts With Documentation



Common denial drivers: medical necessity gaps, coding validation issues



Documentation quality is a key driver of appeal success



Case Mix Index & Financial Impact

CMI & Financial Impact



CMI reflects patient complexity and documentation quality.



Accurate CC/MCC capture = higher CMI and resource-appropriate payment.



Every decimal point shift in CMI = significant revenue impact.

CMI Erosion Drivers



Nonspecific
diagnoses



Missed secondary
conditions



Documentation gaps
in comorbidities



CDI as Revenue Protector

CDI's Role as Revenue Protector



Concurrent CDI reviews help align documentation, coding, and reimbursement.



Focus: high-impact DRGs, missed CC/MCC, and query turnaround time.



CDI helps protect revenue by helping ensure documentation reflects patient complexity.



CDI helps promote timely queries and provider engagement.

CDI Metrics to Monitor



Query
response rates



CC/MCC
capture trends



Financial impact of
CDI interventions

Provider Engagement



Providers document for accuracy, not dollars—but accuracy drives dollars.



Engage with CMI data, denial trends, and query collaboration.



Behavior changes when physicians see the link between care and reimbursement.



Strategies: share CMI trends, educate on audit defense, collaborative queries.

Changing Behavior Through Data



Linking financial impact
to clinical truth



Service line dashboards
for transparency



Physician champions for
documentation excellence

Denials & Revenue Leakage



Denials are the symptom;
documentation gaps
are the disease.



Common issues:
observation vs. inpatient
downgrades, DRG
downgrades, and diagnosis
validation disputes.



Documentation quality
determines if every dollar
can be defended.
(Each denied case =
thousands in lost revenue.)

Denials & Revenue Leakage



Documentation
completeness



Audit readiness
protocols



CDI & utilization review
(UR) departmental
collaboration

HIM & Coding: Translating Documentation Into Reimbursement



Coding depends on documentation quality.



Collaboration between CDI and coding helps prevent delays.



Accurate DRG assignment helps improve DNFB and cash flow.



Technology & Analytics in Documentation

Leveraging Technology



Clinical documentation
specialist (CDS) tools



EMR templates for
specificity



Dashboards for query
and CMI monitoring

Analytics for Continuous Improvement



Identify missed
CC/MCC opportunities



Monitor
denial trends



Predictive modeling
for high-risk cases

Documentation Governance Council



Accountability
for documentation
quality



Alignment of
financial, clinical, and
compliance goals



Proactive reviews
of CMI trends,
denials, ROI

Continuous Monitoring



Establish documentation governance council linking CDI, UR, HIM, finance, and compliance.



Monitor: CMI trends, DRG shifts, payor denial rates, and CDI ROI.



Leadership oversight helps sustain reimbursement integrity.

Key Takeaways



Documentation =
foundation of
reimbursement
integrity

Accuracy + compliance
+ collaboration =
financial success

Every word tells the
financial story of care

Next Steps

- ✓ Implement governance structure
- ✓ Enhance CDI-provider collaboration
- ✓ Invest in technology and analytics

Other sessions in this series:



**Clinical Documentation
Excellence Pt. 1:
Compliance & Risk
Mitigation**

On Demand



**Clinical Documentation
Excellence Pt. 3:
Complex & Clinical
Denials**

February 19, 2026
11 a.m.–12 p.m. ET

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