

AI-Assisted Medical Necessity Appeal

Inpatient Medical Necessity Denials — Prompt Template for Hospital Nurse Appeal Specialists

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⚠️ HIPAA Notice: Use this prompt only within a HIPAA-compliant AI environment. Never enter patient-identifiable information into a public AI tool. Use de-identified references (e.g., "Patient A" or case number) unless your platform is covered under a Business Associate Agreement (BAA).

⚠️ Scope Notice: This tool is designed exclusively for appeals of inpatient acute care admissions denied on the basis of medical necessity. It is not intended for outpatient, observation status, skilled nursing, home health, DME, pharmacy, or procedure-specific denials. If your denial does not involve an inpatient level-of-care determination, do not use this prompt.

Works With Any Major AI Platform

This prompt is designed to work with any capable large language model (LLM) available in a HIPAA-compliant environment. You do not need a specific AI product. Common platforms used in healthcare settings include:

- Microsoft Azure OpenAI (GPT-4o) — available via Microsoft 365 Copilot for Enterprise or Azure Health Bot
- Google Vertex AI (Gemini) — available via Google Workspace with a BAA
- Anthropic Claude for Enterprise — available with a BAA
- AWS Bedrock — available with a BAA, supports multiple underlying models
- Epic, Nuance, and other EHR-integrated AI tools that accept free-form prompts

A note on PDF upload

Most current enterprise AI platforms accept PDF attachments directly. If yours does not, the prompt includes a fallback: paste the relevant excerpts from the medical record as text. The page citation instruction still applies — note the source page when you paste each excerpt.

What This Tool Does

This prompt is designed for one specific situation: an insurer has denied an inpatient hospital admission on the grounds that acute inpatient level of care was not medically necessary. The AI will:

- Read the patient's medical record (uploaded as a PDF) and cite specific page numbers for all major clinical assertions.
- Directly rebut the payer's stated denial rationale using only documented evidence — no inference, no assumption.
- Argue specifically why acute inpatient care was required and why a lower level of care (observation, outpatient, or discharge) would not have been clinically safe or appropriate for this patient.
- Write in a natural, professional clinical voice — clear and confident, not formulaic.

How to Use This Prompt

- 1 Upload the medical record PDF**

Attach the patient's medical record as a PDF before submitting the prompt. The AI will read it and cite page numbers. If your system does not accept PDFs, paste relevant excerpts directly into the bracketed field in the prompt.
- 2 Paste the denial letter**

Copy the full text of the insurer's denial letter — or at minimum the denial rationale section — into the designated field.
- 3 Fill in the bracketed fields**

Complete each [] field in the prompt below. These are the only items you need to customize.
- 4 Submit and review**

Review the draft carefully. Verify every page citation against the actual record. Correct any factual error before sending. You are the clinical expert — the AI is your drafting assistant.

The Prompt — Copy and Use As-Is

Copy everything inside the box below and paste it into your HIPAA-compliant AI system. Then fill in the bracketed fields.

SCOPE CHECK

Before proceeding, confirm that this case involves an inpatient acute care admission that has been denied on the basis of medical necessity – meaning the payer contends that inpatient level of care was not required and that the patient could have been safely managed at a lower level of care (e.g., observation, outpatient, or discharge).
If the denial you have been given does not meet this description, stop and notify the user that this prompt is not designed for their denial type.

ROLE

You are an experienced clinical appeal specialist drafting a formal medical necessity appeal letter contesting the denial of an inpatient admission. Write in a clear, professional clinical voice – the letter should read as though composed by a skilled clinician, not generated by AI. Do not use generic or formulaic language.

MEDICAL RECORD

The patient's medical record has been uploaded as a PDF. Read it carefully.
// [If your system does not accept PDFs, paste relevant excerpts here instead, noting the page number for each excerpt.]

DENIAL LETTER

[Paste the full text of the insurer's denial letter here, or at minimum the section that states the reason for denial.]

CLAIM INFORMATION

- Payer / Insurer: [Name of insurer]
- Admission dates: [Date of admission] through [Date of discharge or current date]
- Payer's denial rationale (quote directly from the denial letter if possible):
[e.g., "Inpatient level of care is not medically necessary. The clinical information submitted does not support that the patient's condition required management that could only be safely provided in an inpatient setting."]

YOUR TASK

Draft a medical necessity appeal letter contesting the denial of this inpatient admission. The letter must do all of the following:

1. **CITE THE RECORD.** For every significant clinical assertion, cite the page number in the medical record where that information appears. Use the format: (Medical Record, p. [X]). Do not make any clinical claim that is not explicitly documented. Do not infer, assume, or diagnose anything beyond what the record states.
2. **REBUT THE DENIAL DIRECTLY.** Quote or closely paraphrase the payer's stated denial reason. Then refute it point by point, using only documented clinical evidence from the record.
3. **ESTABLISH INPATIENT NECESSITY.** Using only findings documented in the record – vitals, lab values, clinical trajectory, physician orders, nursing assessments, and treatment responses – explain why the patient's condition required the resources, monitoring, and interventions that are only available at the acute inpatient level of care.
4. **ADDRESS WHY A LOWER LEVEL OF CARE WAS NOT APPROPRIATE.** Explain specifically why observation status, outpatient management, or earlier discharge would not have been clinically safe for this patient, based solely on documented findings.
Do not make this argument in general terms – tie it directly to this patient's documented clinical picture.
5. **DO NOT** cite external clinical guidelines, criteria sets (e.g., MCG, InterQual), or medical literature unless those sources are referenced in the payer's denial letter itself. The appeal must rest on the documented clinical facts of this case.

FORMAT

Structure the letter as follows:

- Opening: Identify the claim, the admission dates, the denial, and the purpose of this appeal.
- Clinical Summary: Concise, factual account of the patient's documented condition at admission and course of treatment, with page citations.
- Rebuttal: Point-by-point response to the payer's denial rationale.
- Inpatient Medical Necessity: Why acute inpatient care was required and why a lower level of care was not appropriate, based on the record.
- Closing: Clear request for reversal of the denial and approval of the inpatient admission.

Write in complete sentences and paragraphs. Do not use bullet points in the letter itself. Length: 450–600 words. Tone: confident, factual, and professional.

Reviewing Your Draft

Before you send the appeal, verify the following:

- ✓ Every page citation is accurate — open the record and confirm.
- ✓ No clinical claim has been added that is not explicitly documented.
- ✓ The denial language has been addressed directly, not generically.
- ✓ The letter does not read as AI-generated — revise any phrases that sound formulaic.
- ✓ Your facility's appeal contact, claim number, and date are included in the final letter.

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