

# Top Five Hospital Denial Reasons

#1

## Demographic Errors

The leading cause of denials and write-offs

### Miskeyed

patient information causes a chain of incorrect documentation



42%<sup>1</sup>

of Total Potential Revenue

#2

## Eligibility and Incorrect Insurance

Lack of insurance clarity

16%<sup>2</sup>

of Total Potential Revenue



### Dates of Coverage

misaligned with dates of service

### Individual Services

can also be carved out, or not covered

### Out of Date Insurance

carrier information on file for the patient, or out-of-network providers rendering services to patients in a limited access plan

#3

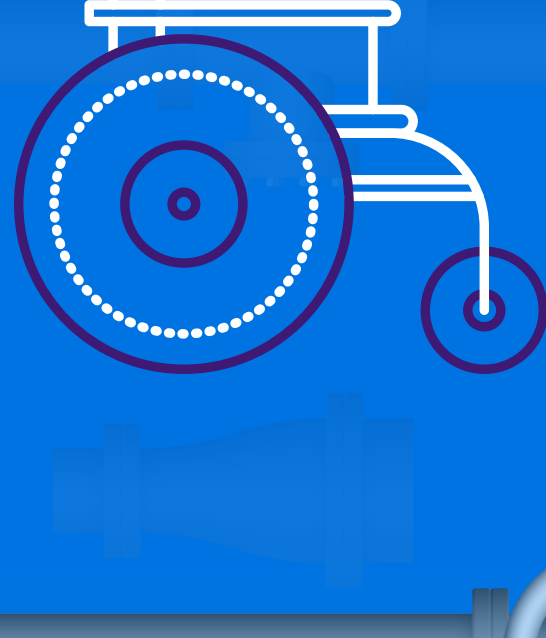
## Medical Necessity

Lack of evidence that the chosen treatment plan was required

Often caused by poor internal processes and documentation

### Vague Information

increases risk for this type of denial



12%<sup>3</sup>

of Total Potential Revenue



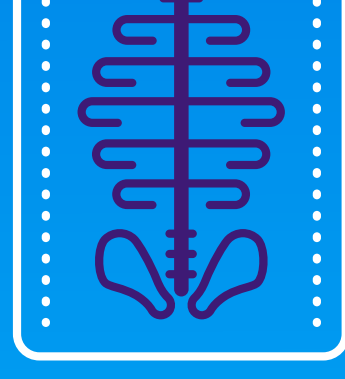
#4

## Authorization Requirement

Absence of prior authorization on a claim

7%<sup>4</sup>

of Total Potential Revenue



### Authorized service

mismatched with service rendered

### Increasingly complex

requirements from payors

\$3,430

Estimated authorization costs per physician per year

#5

## Coding Errors

Improper coding



### Missing additional codified information

around medical necessity or authorization



### Missing code modifiers

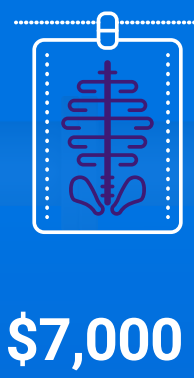
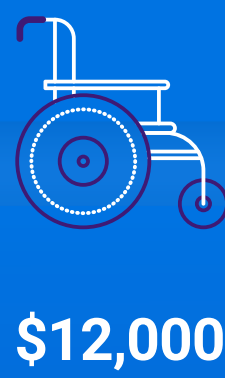
### Missteps in bundling or unbundling

4%<sup>5</sup>

of Total Potential Revenue

\$100,000

Potential Hospital Revenue



\$42,000

Demographic Errors

Error

\$16,000

Eligibility and Incorrect Insurance

Error

\$12,000

Medical Necessity

Error

\$7,000

Authorization Requirement

Error

\$4,000

Coding Errors

Error

\$19,000

REMAINING REIMBURSEMENT

Take the Collections Quiz

Find out how well your organization manages self-pay and bad debt collections...

and capture more revenue dollars

#### Sources

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<http://www.beckershospitalreview.com/finance/4-ways-healthcare-organizations-can-reduce-claim-denials.html>

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5. <http://www.hcpro.com/PPM-328792-12342/The-coding-managers-role-during-the-audit-process.html>

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