Revenue Leakage Audit Checklist

Find hidden revenue losses in your practice

10 Hidden Revenue Leaks (And How to Plug Them)

1. Undercoded E/M Visits
- Pull 30 random encounters from last month
- Compare documented complexity to CPT code billed
- Look for: 99214s that should be 99215s, 99213s that should be 99214s
- Potential recovery: $15-$35 per upgraded visit
- Annual impact: $18K-$42K (based on 1,000 visits/year, 10% undercoding rate)

2. Missing Modifiers
- Search claims for CPT codes that commonly need modifiers (25, 59, 91, etc.)
- Verify modifier usage on bilateral procedures, distinct services same day
- Check for missing -22 (increased complexity) on difficult cases
- Potential recovery: $50-$200 per claim
- Annual impact: $12K-$60K

3. Silent PPO / Network Leasing Write-Offs
- Review EOBs for contractual adjustments from unknown networks
- Look for phrases like "courtesy discount," "affiliated network," "leased network"
- Cross-check payor with your signed contracts
- Challenge unauthorized discounts (cite contract, request full payment)
- Potential recovery: 15-30% of denied amount
- Annual impact: $25K-$75K (for practices with $1M+ revenue)

4. Timely Filing Misses
- Run AR aging report → flag all claims >90 days
- Identify claims denied for timely filing
- Check if denial was due to payor delay (resubmit with proof)
- Review submission dates vs denial dates for errors
- Implement automated claim tracking to prevent future misses
- Potential recovery: 40-60% of aged AR
- Annual impact: $10K-$40K

5. Duplicate Payments Not Refunded
- Cross-check payment dates with claim dates
- Look for two payments on same date of service
- Identify overpayments from payors (common after appeals)
- Set aside refund reserve (payors WILL come looking)
- Annual exposure: $5K-$15K in clawback risk

6. Unbilled Services
- Compare encounter log to billing log (should match)

- Look for: vaccines given but not billed, labs drawn but not coded
- Check for "free" services that are actually covered (patient counseling, care coordination)
- Potential recovery: $8-$50 per missed service
- Annual impact: $15K-$50K

7. Incorrect Fee Schedule
- Verify billed charges match your fee schedule
- Look for outdated CPT codes (deleted codes = auto-deny)
- Check for manual entry errors (typos in charge amounts)
- Update fee schedule annually (Jan 1 CPT updates)
- Potential recovery: $5-$100 per claim error
- Annual impact: $10K-$30K

8. Secondary Insurance Not Billed
- Review primary EOBs for patient responsibility amounts
- Verify if patient has secondary coverage
- Bill secondary within timely filing window
- Potential recovery: 20-40% of patient balance
- Annual impact: $20K-$60K

9. Denied Claims Not Appealed
- Pull all denials from last 6 months
- Calculate appeal-worthy threshold (typically >$100)
- Prioritize medical necessity denials (60% overturn rate)
- Implement denial tracking system
- Potential recovery: 50-70% of denied amount
- Annual impact: $30K-$90K

10. Patient Payment Leakage
- Review aging patient balances >120 days
- Identify accounts sent to collections vs written off
- Check for missing patient payments (front desk didn't collect copay)
- Implement point-of-service payment collection
- Potential recovery: 15-25% of patient AR
- Annual impact: $10K-$40K

Total Potential Annual Recovery: $155K - $547K
(Based on $1-2M annual revenue practice)

Next Steps:
1. Prioritize audits by highest dollar impact (start with #1, #3, #9)
2. Set monthly audit schedule (rotate through all 10 areas quarterly)
3. Track recovery metrics (measure actual vs potential)
4. Update workflows to prevent recurring leaks