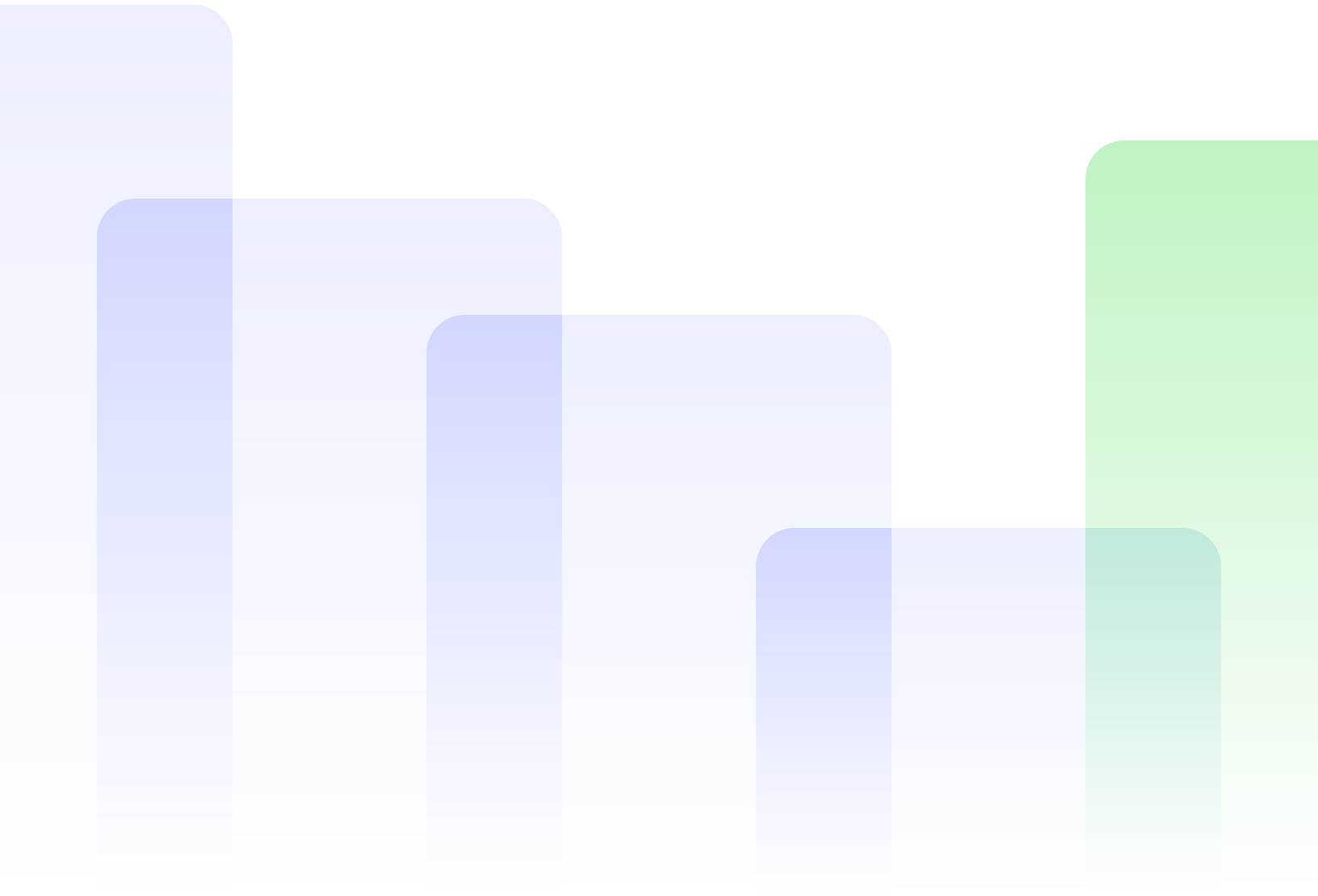


# Top 40 Drivers of **Avoidable Revenue Loss**

Preventable issues are putting hospital margins at risk.



## Hospitals are losing money they can't afford to lose — but much of this loss is completely avoidable.

Across the main areas of hospital operations, there are clear patterns showing where revenue is leaking out, whether it's from under-reimbursement, documentation discrepancies or simple breakdowns in everyday workflows.

By assessing end-to-end RCM operations across hundreds of health systems, we've pinpointed exactly where these preventable gaps are happening at the average hospital — and whether they're caused by people, process or technology gaps — so you can see where money is slipping through the cracks and act before it's too late.

## CATEGORY OF REVENUE LOSS

**Final Denials**

2.8% of NPR lost

Issue	Gap: People	Gap: Process	Gap: Tech
Medical necessity and level-of-care requirements are not consistently met or supported in documentation, resulting in avoidable denials.	×	×	×
Required authorizations are missed, obtained incorrectly or not worked retroactively within payer timeframes.	×	×	×
Eligibility, COB and payer setup errors at registration or billing cause claims to route to the wrong payer or deny outright.	×	×	×
Documentation requested by payers is incomplete, late or not submitted, driving preventable final denials.	×	×	×
Coding, charge capture and billing logic errors result in claims that do not meet payer rules or billed services.	×	×	×
Claims exceed timely filing limits due to aging, hand-off breakdowns or delayed work queues.	×	×	×
Appeals are not consistently overturned due to weak clinical support, inconsistent strategies or limited resources.	×	×	×
Denials are misposted or misclassified, obscuring root cause trends and delaying corrective action.	×	×	
Provider credentialing issues invalidate claims or delay reimbursement.	×	×	×

## CATEGORY OF REVENUE LOSS

# Underpayments

## 0.5% of NPR lost

Issue	Gap: People	Gap: Process	Gap: Tech
Contract terms are not accurately loaded or maintained, causing underpayments to go undetected.	×	×	×
Underpayments are not systematically identified or trended due to limited automation and analytics.		×	×
Payer-specific carveouts, escalators and reimbursement rules are missed or applied inconsistently.	×	×	×
Fee schedules or expected reimbursement models are outdated or inaccurate, masking payment variances.		×	×
Underpayment follow-up is not prioritized by dollar value or likelihood of recovery, limiting productivity.	×	×	
Incorrect payer adjudications are not consistently challenged, leaving recoverable revenue uncollected.	×	×	
Analysts lack payer-specific knowledge needed to identify, pursue and resolve underpayment issues effectively.	×		

## CATEGORY OF REVENUE LOSS

**HIM / Coding**

0.5% of NPR lost

Issue	Gap: People	Gap: Process	Gap: Tech
Provider documentation is incomplete, limiting accurate Complication/ Comorbidity and Major Complication capture and DRG assignment.	×	×	
Secondary diagnoses are missed due to workflow gaps or limited visibility into clinical indicators.	×	×	×
Clinical documentation does not fully support the billed DRG, increasing denial and audit risk.	×	×	
Coders and CDI teams lack real-time alignment and clarification loops, delaying or reducing accuracy.	×	×	
Physician documentation quality trends are not routinely reviewed or addressed, allowing issues to persist.	×	×	
Procedure codes are missed or captured late, resulting in lost or delayed reimbursement.	×	×	×
Coding denials are not fed back into provider education, leading to repeat errors and rework.	×	×	

## CATEGORY OF REVENUE LOSS

**Self-Pay**

0.4% of NPR lost

Issue	Gap: People	Gap: Process	Gap: Tech
Pre-service financial counseling and cost transparency are inconsistent, reducing upfront collections and plan adoption.	×	×	×
Payment plans are set up inconsistently or not actively monitored, leading to higher default rates.	×	×	×
Digital payment and communication options are limited, reducing patient engagement and payment velocity.		×	×
Early out vendors are not consistently monitored or managed, resulting in uneven performance.	×	×	
Balances are transferred incorrectly due to posting errors or system configuration issues.	×	×	×
Collection efforts prior to bad debt placement are insufficient, leaving recoverable dollars uncollected.	×	×	×

## CATEGORY OF REVENUE LOSS

**Public Benefits (eligibility + coverage)**

0.4% of NPR lost

Issue	Gap: People	Gap: Process	Gap: Tech
Patients are not proactively screened at the bedside for Medicaid or charity eligibility.	×	×	
Applications are frequently incomplete or abandoned due to limited follow-up and support.	×	×	×
Documentation needed for disability-based programs is not adequately supported or tracked.	×	×	
Hand-offs between registration, financial assistance and financial counselors teams break down, delaying eligibility actions.	×	×	×
Retroactive Medicaid opportunities are missed due to timing, tracking or prioritization gaps.	×	×	×

## CATEGORY OF REVENUE LOSS

**Credit Management**

0.6% of NPR lost

Issue	Gap: People	Gap: Process	Gap: Tech
Adjustments, reversals and takebacks are posted incorrectly or misclassified, creating false credit balances.	×	×	×
Duplicate or overlapping payments are not identified and resolved in a timely manner.	×	×	×
Payer remittances are misinterpreted, including CO and PR mapping errors.	×	×	×
Credit balances are not automatically identified or aged, delaying resolution.		×	×
Staff lack training on payer-specific reversal rules, increasing posting errors.	×	×	
System logic or configuration issues create a high volume of false credits.		×	×

These 40 drivers account for more than 5% of avoidable revenue loss. And with gaps coming from people, processes and technology, automation alone won't solve these issues. A comprehensive approach to end-to-end RCM optimization is necessary for peak performance, enabling you to spot upstream gaps and errors and treat them before there are downstream repercussions.

Wondering how much NPR  
your own organization is  
leaving on the table?

**Find out with a complimentary  
60-second self-analysis >**