



Denied claims can have a significant financial impact on medical practices. According to The New York Times, insurance companies count on you accepting denials without a fight. More than 100 million claims are denied annually. The most common mental health denial is a rejection code of “not medically necessary”.

Let’s explore the costs associated with denied claims:

1. Although simple software/ coding denials may be visible within 24 hours of claim submission, it often takes at least 7-21 days to become aware that a claim has been denied once it flows to insurance.
2. Rework Cost: When a claim is denied it needs to be reworked, corrected, and resubmitted. The average cost to rework a denied claim is approximately \$25 per claim. [Shockingly, more than 50% of denied claims are never reworked.](#) For a practice, this means a substantial financial loss.
3. Annual Impact: Based on your practice setup, unrecoverable denials greatly devalue your services.
4. When a claim is denied for certain criteria simple resubmission is not enough. Most practices lose revenue as a result of complex appeal omissions.
5. When you believe a claim is being denied in error and the above does not eliminate the problem, contacting your state’s Department of Insurance is an additional option.

Night Owl Mental Health Billing Solutions is here to help navigate these interruptions.

Offerings include:

- 1) Full Billing Cycle Management
- 2) Specialized contracts and a la carte options for Denial Specialty Services