



CO-45 Denial Code Prevention Checklist

MedSole RCM — Your Daily Reference for Minimizing Contractual Adjustments

Daily Verification Tasks

Complete before submitting claims

Pre-Submission Checklist

Task	✓	Notes
Eligibility verified for all patients seen today	<input type="checkbox"/>	
Network status confirmed for each payer	<input type="checkbox"/>	
Authorization obtained and documented (if required)	<input type="checkbox"/>	
CPT/HCPSC codes are current and accurate	<input type="checkbox"/>	
Modifiers applied where appropriate (25, 59, 76, 77, etc.)	<input type="checkbox"/>	
Claim scrubbing completed before submission	<input type="checkbox"/>	
No duplicate claims in submission queue	<input type="checkbox"/>	

Payment Posting Checklist

Task	✓	Notes
Group code verified before posting (CO vs. PR)	<input type="checkbox"/>	
CO-45 posted to contractual adjustment bucket	<input type="checkbox"/>	
Patient balance does NOT include CO-45 amounts	<input type="checkbox"/>	
Allowed amount compared to fee schedule	<input type="checkbox"/>	
Underpayments flagged for review	<input type="checkbox"/>	

Weekly Review Tasks

Task	Week 1	Week 2	Week 3	Week 4
Review CO-45 adjustment volume by payer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check for unusual adjustment patterns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Verify pending appeals status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Confirm no approaching appeal deadlines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review claims approaching timely filing limits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Monthly Audit Tasks

Complete by the 5th of each month

Fee Schedule Verification

Payer	Current Schedule Loaded?	Last Updated	Next Update Due
Medicare	<input type="checkbox"/> Yes <input type="checkbox"/> No	__/__/__	__/__/__
BCBS [State]	<input type="checkbox"/> Yes <input type="checkbox"/> No	__/__/__	__/__/__
UnitedHealthcare	<input type="checkbox"/> Yes <input type="checkbox"/> No	__/__/__	__/__/__
Aetna	<input type="checkbox"/> Yes <input type="checkbox"/> No	__/__/__	__/__/__
Cigna	<input type="checkbox"/> Yes <input type="checkbox"/> No	__/__/__	__/__/__
[Other]	<input type="checkbox"/> Yes <input type="checkbox"/> No	__/__/__	__/__/__

Adjustment Analysis

Metric	This Month	Last Month	Trend
Total CO-45 adjustment volume	\$ _____	\$ _____	↑ ↓ →
CO-45 as % of total billed	____%	____%	↑ ↓ →
Number of appealable adjustments	_____	_____	↑ ↓ →
Appeal success rate	____%	____%	↑ ↓ →
Revenue recovered via appeals	\$ _____	\$ _____	↑ ↓ →

If CO-45 volume increased >10%: Investigate cause immediately

Provider Network Status Check

Provider Name / NPI	Medicare	BCBS	UHC	Aetna	Cigna
NPI:	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active
NPI:	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active
NPI:	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active
NPI:	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active

Quarterly Review Tasks

Complete in January, April, July, October

Task	Q1	Q2	Q3	Q4
Charge master audit — compare to current fee schedules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contract review — check for upcoming renewals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Staff training — payer rule updates and adjustment trends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scrubbing software — verify current edits loaded	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Write-off analysis — identify improper write-offs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Denial trend analysis — by code, payer, provider	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2026 Medicare-Specific Compliance

Critical for accurate CO-45 management in 2026

Two-Tier Conversion Factor Setup

Task	Completed?	Date
Identify QP vs. non-QP status for each provider	<input type="checkbox"/>	__/__/__
Configure billing system for correct tier per NPI	<input type="checkbox"/>	__/__/__
Verify fee schedule reflects correct conversion factor	<input type="checkbox"/>	__/__/__
Test claim processing with sample Medicare claims	<input type="checkbox"/>	__/__/__

2026 Conversion Factors:

QP Providers: \$33.57 | Non-QP Providers: \$33.40

Efficiency Adjustment Impact

Task	Completed?	Date
Identify services affected by -2.5% work RVU reduction	<input type="checkbox"/>	__/__/__
Update expected allowed amounts for diagnostic radiology	<input type="checkbox"/>	__/__/__
Update expected allowed amounts for laboratory services	<input type="checkbox"/>	__/__/__
Update expected allowed amounts for imaging services	<input type="checkbox"/>	__/__/__
Train staff on increased write-off expectations	<input type="checkbox"/>	__/__/__

Quick Reference: CO vs. PR Posting Guide

Post in your billing area for daily reference

CO (CONTRACTUAL OBLIGATION) — WRITE OFF

Code	Meaning	Patient Billable?	Action
CO-45	Exceeds fee schedule	✗ NO	Post to contractual adjustment
CO-4	Modifier issue	✗ NO	Post to contractual adjustment
CO-97	Bundled service	✗ NO	Post to contractual adjustment
CO-18	Duplicate claim	✗ NO	Post to contractual adjustment

Rule: ANY code with "CO" prefix = Provider write-off. NEVER bill patient.

PR (PATIENT RESPONSIBILITY) — BILL PATIENT

Code	Meaning	Patient Billable?	Action
PR-1	Deductible	✓ YES	Post to patient balance
PR-2	Coinsurance	✓ YES	Post to patient balance
PR-3	Copay	✓ YES	Post to patient balance
PR-45	Exceeds allowable (OON)	✓ YES	Post to patient balance
PR-96	Non-covered (with ABN)	✓ YES*	Post to patient balance

Rule: ANY code with "PR" prefix = Patient responsibility. Bill patient.

*Only if ABN was signed before service

Warning Signs: When to Investigate

If you observe any of these, stop and investigate immediately:

Warning Sign	Possible Cause	Action
CO-45 amounts suddenly increased for one payer	Fee schedule changed without update	Load new fee schedule; review last 30 days

Warning Sign	Possible Cause	Action
Multiple claims processed as out-of-network	Credentialing lapsed or not loaded	Verify network status; appeal if error
High CO-45 volume on specific CPT codes	Coding error or wrong modifier	Review coding patterns; retrain staff
CO-45 on claims that should have no adjustment	Contract terms not loaded correctly	Compare allowed to contract; appeal
Patient complaints about unexpected bills	PR codes posted as CO or vice versa	Audit posting accuracy; retrain

Monthly Metrics Tracking

Track these numbers to identify problems early

Month	CO-45 Volume	% of Billed	Appeals Filed	Appeals Won	Revenue Recovered
Jan	\$_____	____%	_____	_____	\$_____
Feb	\$_____	____%	_____	_____	\$_____
Mar	\$_____	____%	_____	_____	\$_____
Apr	\$_____	____%	_____	_____	\$_____
May	\$_____	____%	_____	_____	\$_____
Jun	\$_____	____%	_____	_____	\$_____
Jul	\$_____	____%	_____	_____	\$_____
Aug	\$_____	____%	_____	_____	\$_____
Sep	\$_____	____%	_____	_____	\$_____
Oct	\$_____	____%	_____	_____	\$_____
Nov	\$_____	____%	_____	_____	\$_____
Dec	\$_____	____%	_____	_____	\$_____

Benchmarks: CO-45 as % of billed: Target <15% | Appeal success rate: Target >50%

Emergency Contact Information




For immediate assistance with adjustment issues

Payer	Provider Services	Appeals Fax	Portal URL
Medicare (MAC: _____)			
BCBS _____			
UnitedHealthcare			
Aetna			

Payer	Provider Services	Appeals Fax	Portal URL
Cigna			

Need help with CO-45 management?

MedSole RCM specialists are available to audit your adjustments, identify underpayments, and recover revenue.


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