AHIP
Center for Policy and Research

Update: A Survey of Health Care Claims Receipt and Processing Times, 2009

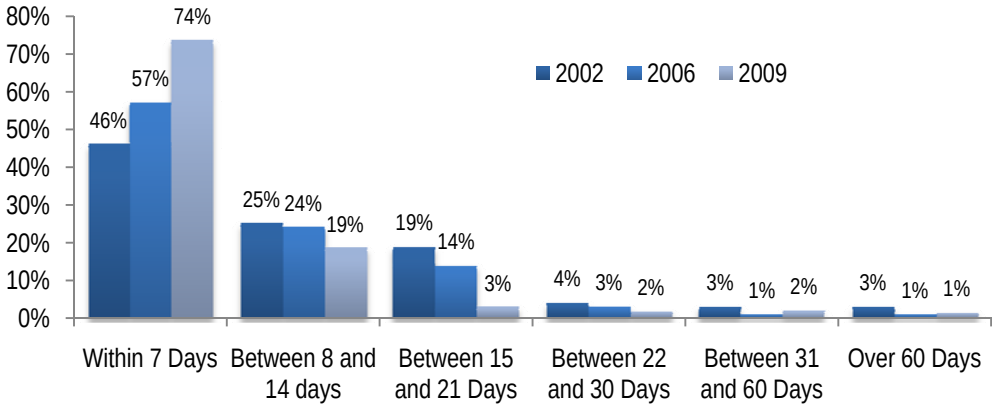
January 2010

This brief report presents AHIP's most recent periodic survey of claims receipt and payment timing; the most recent previous report was published in May 2006.[1]

Here are some highlights from the latest survey:

- The percentage of claims received electronically was 82 percent in 2009, up from 75 percent in 2006 and 44 percent in 2002.
- There is often a notable lag before health insurance plans receive claims from health care providers. In 2009, 22 percent of claims were received from health care providers more than 30 days after the date of patient service, and 12 percent of claims were received more than 60 days after the date of service.
- According to the 2009 survey, health insurance plans processed[2] nearly 99 percent of "clean" claims within 60 days, and 97 percent within 30 days (see Figure 1).

Figure 1. Average Time to Complete Processing After Receipt of "Clean" Claim



Source: America's Health Insurance Plans.
Note: Percentages may not sum to 100 percent due to rounding.

[1] AHIP Center for Policy and Research, *An Updated Survey of Health Care Claims Receipt and Processing Times* (May 2006) at http://www.ahipresearch.org/pdfs/PromptPayFinalDraft.pdf, and Health Insurance Association of America, *Results from an HIAA Survey on Claims Payment Processes* (March 2003) at http://www.ahipresearch.org/PDFs/21_ClaimsPaymentProcessesSurveyChartbook.pdf.
[2] Processing time is the number of days from when a claim is received until the claim is paid, denied, or "pended" for further information. "Clean" claims are those for which no additional information is needed.

- In 2009, approximately 75 percent of claims were adjudicated automatically -- that is, using automated verification and validation processes that do not require manual intervention -- up from 68 percent in 2006 and 37 percent in 2002.

The 2009 claims processing and receipt times were based on data from 227 million claims dated in 2009. The results were weighted by type of plans offered by responding companies in the following proportions:

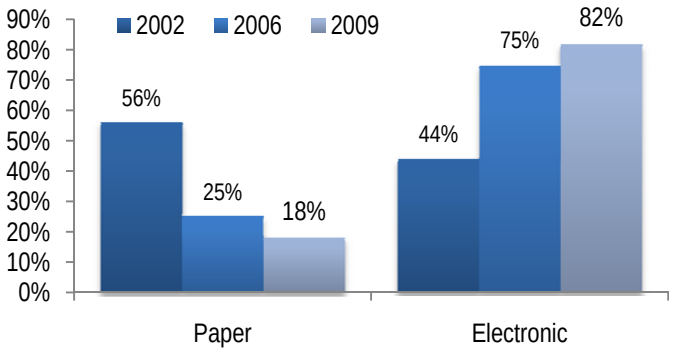
Large, multi-state commercial plans	40%
Blue Cross/Blue Shield plans	40%
Smaller, multi-state commercial plans	5%
Local or single-state medical plans and HMOs	12%
Specialty plans (including Medigap, dental)	3%*

*Some companies offered both specialty and medical coverage – we assigned weights to responding plans using our best estimate of the nature of the type of business represented in their claims results.

Electronic vs. Paper Claims

Most claims are now processed electronically. Between 2002 and 2009, the percent of claims filed electronically jumped from 44 percent to 82 percent (see Figure 2).

Figure 2. Types of Claims Submitted



Source: America's Health Insurance Plans.

Automatically Adjudicated Claims

The percentage of claims that were automatically adjudicated – that is, validated and processed without manual intervention – increased to 75 percent in 2009, up from 68 percent in 2006 and 37 percent in 2002 (see Table 1).

Table 1. Percent of Claims Automatically Adjudicated

	2002	2006	2009
Paper	27%	44%	37%
Electronic	49%	71%	80%
All	37%	68%	75%

Source: America's Health Insurance Plans.

Claims Receipt Times

In 2009, 22 percent of claims were received more than a month after the date of patient service, down from 29 percent in 2006 (see Table 2). Twelve percent of claims were received more than 60 days after the service date, down from 15 percent in 2006 and 2002. The lag in claims receipt was much shorter for claims filed electronically in 2009. Half of paper claims were received a month or more after the date of service; by contrast, over 80 percent of electronic claims were filed within the first 30 days.

Table 2. Lag Time for Receiving Claims

	2002	2006	2009		
	All	All	Paper	Electronic	All
Within 7 Days	19%	30%	13%	39%	34%
8-14 Days	26%	21%	17%	26%	24%
15-21 Days	16%	11%	9%	10%	10%
22-30 Days	11%	9%	11%	9%	9%
31-60 Days	13%	14%	21%	8%	10%
Over 60 Days	15%	15%	29%	8%	12%

Source: America's Health Insurance Plans.
Note: Percentages may not sum to 100 percent due to rounding.

Claims Processing Times

Nearly three-quarters (74 percent) of 2009 claims in the survey were processed within 7 days, up from 57 percent in 2006 and 46 percent in 2002 (see Table 3). Approximately 92 percent of claims were processed within two weeks, up from just over 80 percent in 2006. In general, electronic claims are processed faster than paper claims.

Table 3. Average Time to Complete Processing After Receipt of "Clean" Claim

	2002	2006	2009
Paper			
Within 7 Days		29	62
8-14 Days		40	22
15-21 Days		23	6
22-30 Days		5	3
31-60 Days		2	4
Over 60 Days		1	3
Electronic			
Within 7 Days		69	77
8-14 Days		16	17
15-21 Days		11	2
22-30 Days		2	2
31-60 Days		1	2
Over 60 Days		1	1
All			
Within 7 Days	46	57	74
8-14 Days	25	24	19
15-21 Days	19	14	3
22-30 Days	4	3	2
31-60 Days	3	1	2
Over 60 Days	3	1	1

Source: America's Health Insurance Plans.
Note: Percentages may not sum to 100 percent due to rounding. Average time to complete processing on a claim was only reported for all claims in 2002.

Acknowledgements

The 2009 data were compiled by Hannah Yoo of AHIP's Center for Policy and Research. For further information, please contact Jeff Lemieux, Senior Vice President of AHIP's Center for Policy and Research at 202.778.3200, or visit www.ahipresearch.org.