

An Updated Survey of Health Insurance Claims Receipt and Processing Times, 2011

February 2013

SUMMARY

This brief report updates AHIP's periodic surveys of claims receipt and processing times for 2011 claims data; the prior update was published in January 2010 based on claims data from 2009.¹

Highlights:

- The percentage of claims received electronically was 94 percent in 2011, up from 82 percent in 2009, 75 percent in 2006 and 44 percent in 2002.
- In 2011, 66 percent of claims were received by health plans within two weeks of the date of patient service, up from 58 percent in 2009 and 45 percent in 2002. However, 16 percent of electronic claims and 54 percent of paper claims were received from health care providers more than 30 days after the service date.
- Health insurance plans processed 98 percent of all claims within 30 days and 99 percent of claims within 60 days of receipt from the health care provider.
- Approximately 79 percent of all claims were adjudicated automatically in 2011, up from 75 percent in 2009, 68 percent in 2006 and 37 percent in 2002.
- In 2011, the average cost of processing a claim was reported at \$1.36 per claim. The average cost of processing an automatically adjudicated claim was \$0.99 per claim; the average cost of processing a "pending" or delayed claim (often a claim that requires additional information or more complex manual processing) was \$3.99 per claim.
- In 2012, responding plans estimated that 88 percent of all claims were paid on an "in-network" basis, up from 85 percent in 2008.

¹ AHIP Center for Policy and Research, *Update: A Survey of Health Care Claims Receipt and Processing Times, 2009*. (January 2010). <http://www.ahip.org/SurveyHealthCare-January2010/>

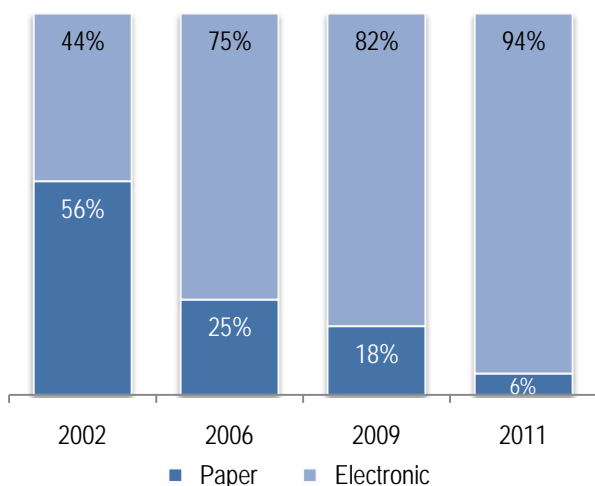
This updated survey is based on aggregated data from over 453 million claims for health care services received in 2011. The questionnaire and methodology were designed so that results would be comparable to prior AHIP surveys. The results were weighted by the market share of responding companies in the following proportions:

Large, multi-state commercial plans:	40%
Blue Cross/Blue Shield plans:	40%
Local or regional plans:	20%

ELECTRONIC VS. PAPER CLAIMS

Most claims are now submitted and processed electronically. Between 2002 and 2011, the percent of claims filed electronically jumped from 44 percent to 94 percent (see Figure 1).

Figure 1. Types of Claims Submitted, 2002 – 2011



Source: AHIP Center for Policy and Research.
 Note: Percentages may not sum to 100 percent due to rounding.

CLAIMS RECEIPT TIMES

With the rise of electronic claims systems, health care providers are submitting a greater share of claims within two weeks of the service date. In 2011,

66 percent of claims were received by health plans within two weeks of the service date, up from 58 percent in 2009 and 45 percent in 2002 (see Table 1).

Despite recent improvements in claims receipt times, a large number of claims continue to be received beyond a 30-day time frame. In 2011, 17 percent of all claims were received more than a month after the date of service, down from 22 percent in 2009. Moreover, 9 percent of all claims in 2011 were received more than 60 days after the service date, down from 12 percent in 2009, and 15 percent in both 2006 and 2002.

In 2011, the lag in claims receipt was much shorter for claims filed electronically than for paper claims, continuing the trend from 2009. Sixteen (16) percent of electronic claims and 54 percent of paper claims in 2011 were received more than a month after the date of patient service. In 2011, 8 percent of electronic claims and 38 percent of paper claims were received more than 60 days after the date of service.

CLAIMS PROCESSING TIMES

Most claims are processed within 30 days of receipt. In 2011, 98 percent of all claims—paper or electronic—were processed within a month; the same percentage as in 2009 and in 2006 (see Table 2). In both 2009 and 2011, 93 percent of all claims were processed within 14 days of receipt, compared to 81 percent in 2006 and 71 percent in 2002. Processing time is defined as the number of days from when a claim is received until the claim is paid, denied, or “pending” for further information.

In general, electronic claims are processed faster than paper claims. In 2011, 93 percent of electronic claims were processed within two weeks, compared to 79 percent of paper claims. Approximately 98

Table 1. Lag Time for Receiving Claims, 2002 – 2011

	2002	2006		2009		2011		
	All	All	Paper	Electronic	All	Paper	Electronic	All
Within 7 Days	19%	30%	13%	39%	34%	12%	43%	42%
8 – 14 Days	26%	21%	17%	26%	24%	16%	24%	24%
15 – 21 Days	16%	11%	9%	10%	10%	9%	11%	11%
22 – 30 Days	11%	9%	11%	9%	9%	9%	7%	7%
31 – 60 Days	13%	14%	21%	8%	10%	16%	8%	8%
Over 60 Days	15%	15%	29%	8%	12%	38%	8%	9%
Total	100%	100%	100%	100%	99%	100%	100%	100%

Source: AHIP Center for Policy and Research.
 Note: Percentages may not sum to 100 percent due to rounding.

Table 2. Average Time to Complete Processing After Receipt of a Claim, 2002 – 2011

	2002		2006		2009			2011		
	All	Paper	Electronic	All	Paper	Electronic	All	Paper	Electronic	All
Within 14 Days	71%	69%	85%	81%	84%	94%	93%	79%	93%	93%
15 – 30 Days	23%	28%	13%	17%	9%	4%	5%	15%	5%	5%
31 – 60 Days	3%	2%	1%	1%	4%	2%	2%	4%	1%	1%
Over 60 Days	3%	1%	1%	1%	3%	1%	1%	2%	1%	1%

Source: AHIP Center for Policy and Research.
 Notes: 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. Processing time is the number of days from when a claim is received until the claim is paid, denied, or "pending" for further information.

percent of electronic claims were processed within one month, versus 94 percent of paper claims.

paper claims it increased to 53 percent in 2011 from 37 percent in 2009.

AUTOMATICALLY ADJUDICATED CLAIMS

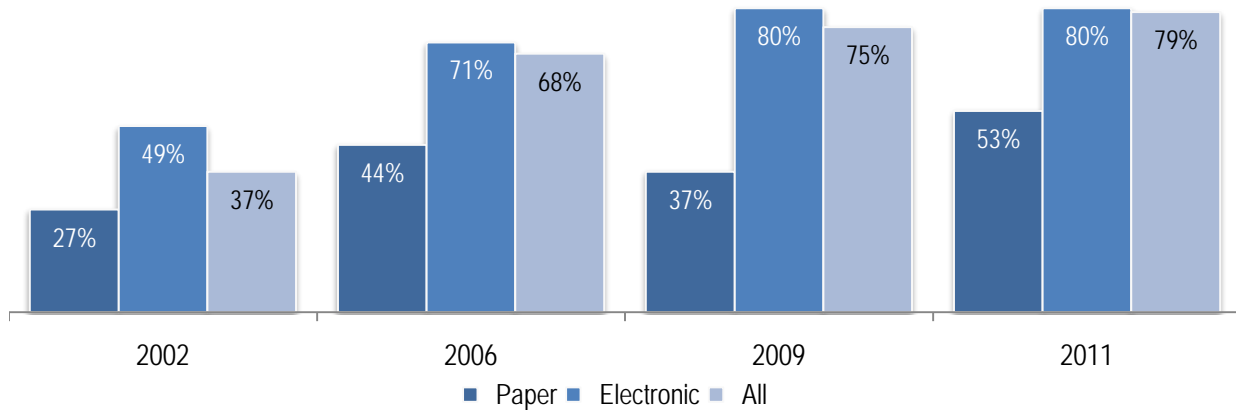
The percentage of claims that are automatically adjudicated—that is, processed without manual intervention—increased significantly for both paper and electronic claims from 2002 to 2011 (see Figure 2). Overall, 79 percent of claims were adjudicated automatically in 2011, compared to 37 percent in 2002. Among electronic claims, the auto-adjudication rate was 80 percent in 2011 and 2009, while for

COST OF CLAIMS PROCESSING

In 2011, the average processing cost was \$1.36 per claim. Automatically adjudicated claims cost \$0.99 per claim to process, and pending claims, including those returned for more information or otherwise not automatically adjudicated on the "first pass," cost \$3.99 per claim to process.

In 2011, 4.6 percent of claims were "adjusted" or reprocessed (processed more than once) and a small

Figure 2. Percent of Claims Automatically Adjudicated, 2002 – 2011



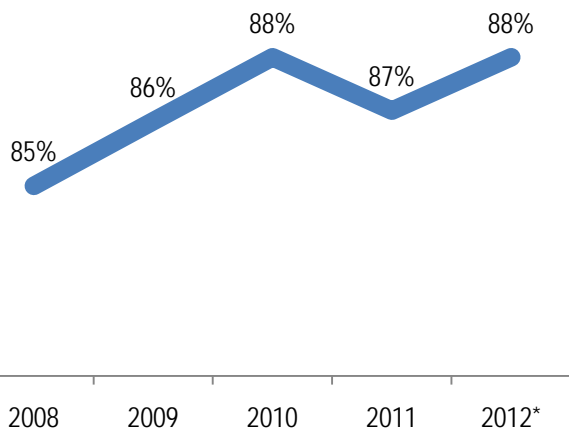
Source: AHIP Center for Policy and Research.

percentage (0.8 percent) of claims included penalties or interest due to late payment.

CLAIMS PAID IN-NETWORK

For the first time, the 2011 survey collected data on the percentage of claims paid on an in-network basis (see Figure 3). From 2008 to 2012, the estimated percentage of claims paid on an in-network basis increased from 85 percent to 88 percent.

Figure 3. Percent of Claims Paid In-Network, 2008 – 2012



Source: AHIP Center for Policy and Research.

* 2012 was estimated by responding plans.

ACKNOWLEDGEMENTS

The 2011 data were compiled and analyzed by Jessica Collins, Research Analyst for AHIP’s Center for Policy and Research.

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