Humana Deemed Fastest Payer in Annual Survey

BY ALICIA AULT

Humana pays physicians more quickly and denies fewer claims than other insurers, according to the fourth annual survey of payer practices by AthenaHealth Inc.

The survey ranks payers based on a series of measures, including the number of days that claims spend in accounts receivable, percentage of claims resolved on first submission, percentage of each claim shifted to the patient, denial rate, and "transparency" of denials, including what percentage of denials are paid after one additional submission.

The AthenaHealth survey also evaluated the percentage of claims requiring medical documentation to justify the payment.

The physician practice management company evaluated 172 national, regional, and government payers in 40 states. The rankings are based on data from 18,000 providers, and represent 40 million medical charge lines and $7 billion in charges for 2008.

The previous year's rankings were based on data from 12,000 providers and 30 million charge lines.

Overall, in 2008, insurers paid physicians 5.3% faster and denied 9% fewer claims than in 2007, the company said.

Humana was also No. 1 in the first survey, which was published in 2006. At that time, a claim at Humana averaged 29 days in accounts receivable; by 2008, a claim spent 26 days in accounts receivable. The number of days in accounts receivable is not substantially different from that of the other top-rated payers, but Humana also scored well in other categories.

Overall, 96% of claims were paid on initial submission, a slight edge over competitors. Only 2% of claims required medical documentation, and only 0.6% of claims were not paid due to Humana's departure from national coding standards.

"Humana's ascent to the top of the rankings can be credited to faster claims payment with fewer denials than its peers," Dr. William F. Jessee, president and CEO of the Medical Group Management Association, said in a statement. Dr. Jessee said the MGMA commended Humana, especially for listening to the organization's concerns, but added that "there remains considerable room for improvement across the industry."

For the past few years, Aetna and Cigna have remained near the top of the payer rankings, as has Medicare, which was in fifth place this year. Medicare claims spent an average of 33 days in accounts receivable, and 93% were paid on first submission.

In addition, Medicare recipients shoulder the lowest liability for their care. Commercial payers have been shifting more costs to the patients; that makes it harder for physicians because no universal tool exists to estimate what the patient owes at time of service, according to AthenaHealth.

Medicare patients generally have a 2% liability. By comparison, the patient liability for those receiving coverage from a BlueCross BlueShield plan was 9%, a 2% increase from the previous year, according to AthenaHealth.

The big commercial insurers, including Aetna, Cigna, Humana, and UnitedHealthcare, had the second-highest patient liability at an average of 8.47%, up from 3.4% in 2007.

For the most part, Medicaid plans continue to perform poorly on all measures, according to AthenaHealth. In 2008, a claim submitted to the average state Medicaid plan spent twice as many days in accounts receivable, compared with the average payer. Denial rates were three to four times higher, averaging 22% in 2008. Some state plans paid as few as 60% of claims on first submission.

Louisiana had the top-performing Medicaid program, with claims averaging 43 days in accounts receivable, and 86% being paid on first pass. In comparison, in New York, claims stayed an average of 160 days in accounts receivable and only 62% were paid on the first submission.

AthenaHealth predicted that the continuing recession would likely put further strain on the performance of Medicaid programs. ■