

Cigna, Aetna Are Top Payers; Medicaid Not Near

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In 2006, Cigna Healthcare moved from fifth place to top ranking among national payers, and Aetna moved from fourth place to second, according to the second annual assessment of overall payment performance conducted by one of the nation's largest physician revenue management companies.

Not surprisingly, state Medicaid pro-

grams ranked near the bottom.

The performance rankings were compiled for the second year in a row by AthenaHealth, a Watertown, Mass.-based company that collects about \$2 billion a year for medical providers. It used claims data from 8,000 providers, representing 28 million "charge lines," or line items. The medical services were billed in 33 states. The ranking included national payers that had at least 120,000 charge lines and regional payers with at least 20,000 charge lines.

In 2005, Humana was the top-ranked payer, followed by Medicare. A year later, Medicare held the third position, while Humana dropped to fourth. Rounding out the top eight national payers were UnitedHealth Group, WellPoint, Coventry Health Care, and Champus/Tricare.

There were several trends observed from year to year. In 2006, days in accounts receivable (DAR) dropped by 5%, from 36.2 days to 34.4 days. Blue Cross & Blue Shield of Rhode Island had the lowest

DAR at 16.8 days. New York's Medicaid plan had the highest, at 111 days.

Payers are also asking patients to pay more up front, which places a greater collections burden on physicians. Last year, there was a 19% increase in the amount of billed charges transferred to patients.

The overall ranking was based on how often claims were resolved on the first pass, the denial rate, denial transparency, percentage noncompliance with national coding standards, and percentage of claims requiring medical documentation.

Denial rates ranged from a low of 4% at Cigna's southern plan to a high of 48% at Louisiana's Medicaid program. Medicaid programs were laggards on all performance measures. The Illinois Medicaid program paid medical claims on the first attempt only about 30% of the time, and was the second slowest payer overall, with an average 103 days to pay a claim. In Texas, physicians resubmitted denied claims at least twice 47% of the time.

"We are seeing disturbing administrative process breakdowns with some state Medicaid plans, resulting in a growing number of physicians no longer accepting new Medicaid patients," said Jonathan Bush, AthenaHealth chairman and CEO. The rankings are at www.athenapayerview.com. ■

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