

Survey:

Commercial Health Insurance Practices that Delay Care, Increase Costs

Real people, Real stories

A cancer patient was scheduled to receive an infusion, but their health plan required the supportive care drug to be supplied by the plan's specialty pharmacy. When the drug was shipped, it was left overnight in the truck, rendering it unusable; subsequent delays continued. While the hospital staff pressured the health plan to approve using the hospital's supply, the patient's care was delayed for several weeks. The plan finally approved one dose of the medically necessary drug from the hospital's supply — but no more.

A patient newly diagnosed with diabetes presented with a glucose level five times higher than the acceptable range. The patient's health plan determined that insulin was subject to prior authorization, which would take 24 hours, forcing the clinician to make do with samples to treat the patient. Insulin has been a standard medication used to treat diabetes for nearly 100 years.

A 93-year-old patient had a history of epilepsy, early-onset Alzheimer's, rheumatoid arthritis, and limited range of motion, among other issues. Medical experts determined that the patient needed a hospital bed with rails; the health plan refused to cover the cost of \$150 per month.

Certain commercial health insurer policies and administrative practices delay patient care, overburden clinicians and withhold critical payments from providers.

Contributing to workforce burden



And much of this effort and cost is unnecessary.

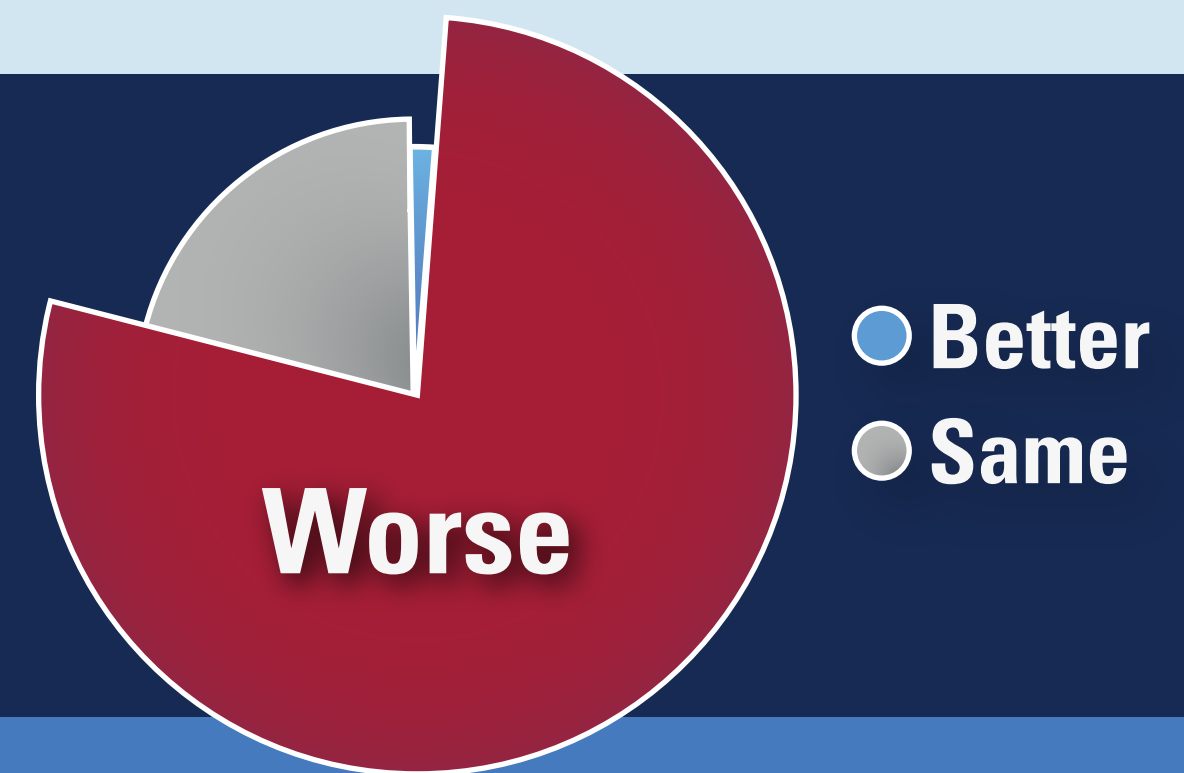
62% of prior authorization denials and **50%** of initial claims denials that are appealed are ultimately overturned



And it is only getting worse.

78% of hospitals and health systems report that their experience with commercial insurers is getting worse.

<1% said it's getting better.



Inappropriate prior authorization and payment denials result in significant disruption for hospitals and health systems, challenging their ability to continue caring for their communities.



**7 in 10
Hospitals**

report having an outstanding claim from 2016 or older

55%

of hospitals and health systems reported their oldest Medicare Advantage claim is from 2016 or older

50%

of hospitals and health systems report having more than

\$100 Million

in accounts receivable for claims that are older than 6 months

STATUS

DELAYED



This amounts to \$6.4 billion in delayed or unpaid claims that are 6 months or older among 772 hospital survey responders

35%

of hospitals and health systems report

\$50 Million or more in foregone payments as a result of denied claims once appeals have been exhausted

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Survey Methodology

304 respondents, representing 772 hospitals, completed the survey. Not every respondent answered each question. All respondents are members of the American Hospital Association. Web-survey administered between December 2021 and February 2022. Some participants opted to complete the survey using handwritten responses. Results represent hospitals in 47 states. No responses were received from hospitals or health systems in New Mexico, Rhode Island, Vermont and Washington, D.C.