
Electronic Administrative Transactions Reduce Costs and Administrative Burdens



Providers are constantly conducting administrative transactions to secure the appropriate payment for specific services. Although there has been a drive to increase the percentage of electronic transactions to help reduce administrative burden on strained staff, the CAQH Index Report recently shared that less than a third of prior authorizations (28%) were conducted electronically in 2022.

Since the beginning of the industry's transition to electronic administrative transactions, CAQH, a non-profit industry alliance, has been measuring the pace of automation and identifying opportunities for progress.

65% of eligibility and benefit checks and 90% of claims submissions were conducted electronically. By 2022, these increased to 90% and 97% respectively.

Prior authorizations, however, have among the lowest adoption rate. Prior authorization has been one of the most time-consuming transactions. To manually submit a request for treatment coverage can take an average of 20 minutes.

According to the American Medical Association, around 14 hours of people power per physician is dedicated to completing transactions.

However, providers can halve this time if transactions were completed electronically, and a large scale up could lead to \$449 million in annual industry-wide cost savings opportunities.

Furthermore, a fully electronic environment could total to more than \$2.3 billion in savings for the medical industry, whilst taking off an average of five minutes for each claim submission.

Use electronic attachments to support claim documentation alone could save time and money – approximately \$213 million a year. By automating claims status inquiries, \$3.6 billion and 15 minutes per transaction could be saved in money and time.

Overall, it is critical for health plans and their provider partners to make progress on electronic administrative data exchange. While the industry has progressed, focusing on specific transaction types could save billions of dollars and reduce hours off of the schedules of provider groups.

Source: [DHI Insights](#)

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