



2020 CAQH Index

Closing the Gap: The
Industry Continues to
Improve, But Opportunities
for Automation Remain

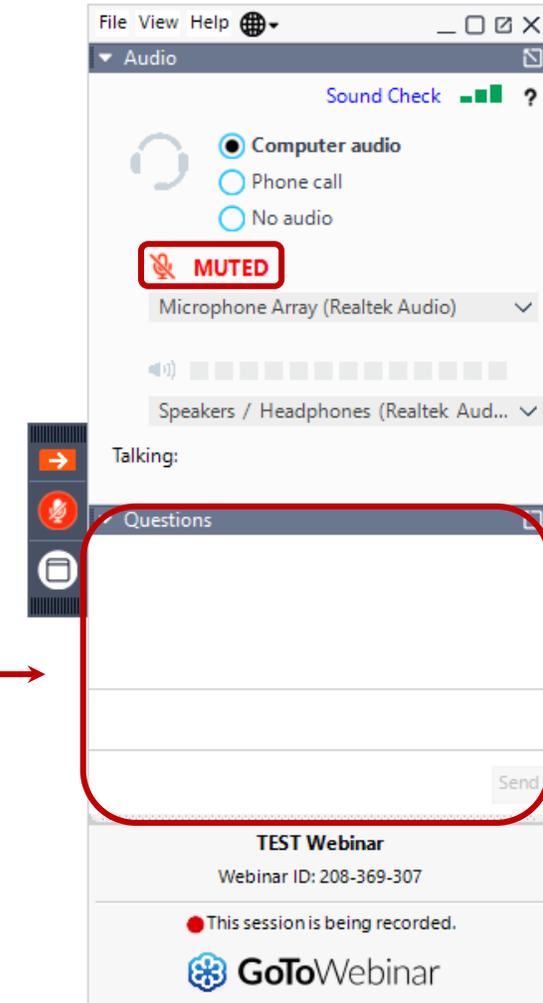
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February 10, 2021

Logistics: How to Participate in Today's Session

- Today's session is being recorded.
 - All attendees will receive a link to the recording after the webinar.
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- Throughout the session, you may communicate a question via the questions panel.

Questions about CAQH tools and applications can be directed to CAQH via the **questions panel on the right side of the GoToWebinar desktop**



Agenda

- 2020 CAQH Index Overview
- High-Level Findings
- Detailed Findings
- Call to Action

2020 CAQH Index Overview

What Is the CAQH Index?

A national benchmarking survey.

- Measures adoption of fully electronic administrative transactions.
- Estimates cost and time savings opportunities.
- Estimates partially electronic portal use.
- Estimates costs avoided and spend.

Tool to track and monitor industry progress.

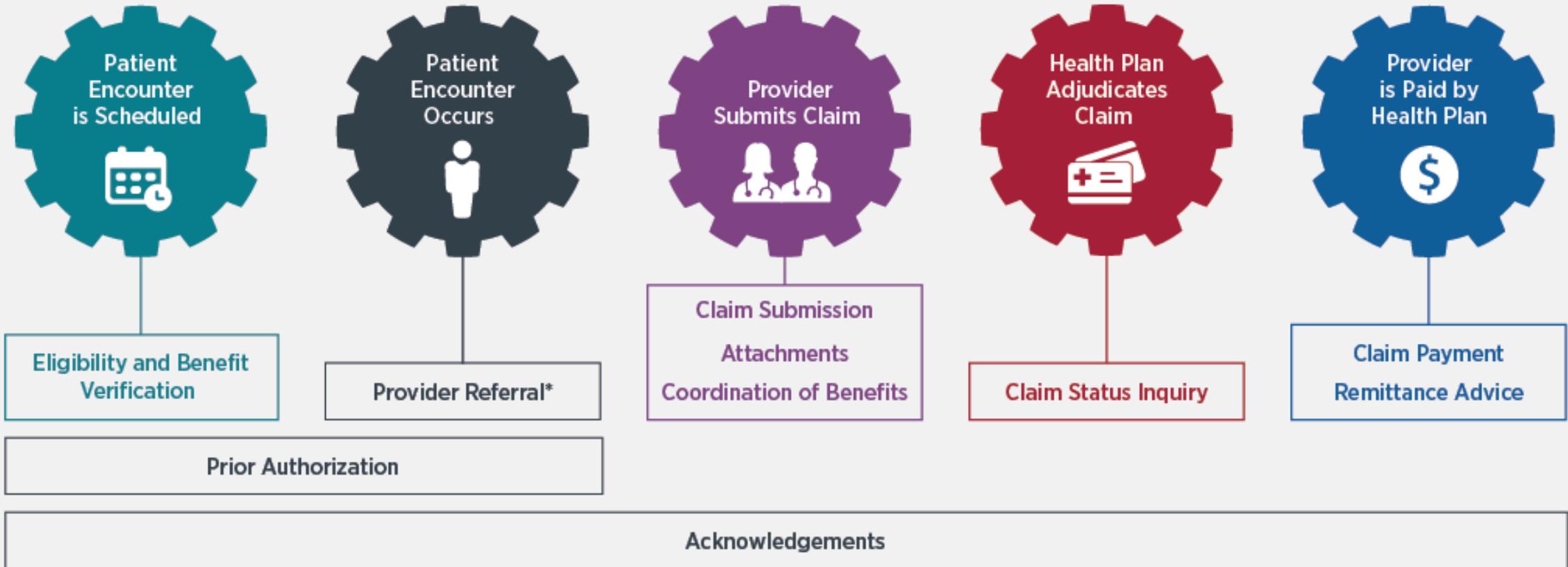
- Tracks industry progress in the ongoing transition from manual to electronic administrative transactions.
- Eighth annual report.
- Monitoring progress makes it possible to identify successes and to make course corrections when necessary.

A collaborative initiative.

- The CAQH Index Advisory Council.
- Experts in administrative transactions, data analysis and healthcare management.
- Represents providers, health plans, vendors and other industry partners.

Which Transactions Are Tracked?

Figure 6: The Administrative Workflow



Note: This diagram illustrates the administrative workflow in its simplest form. In practice, some transactions may occur multiple times or in multiple steps and be triggered by other events.

*Due to a low volume of data collected, the 2020 CAQH Index was unable to calculate benchmarks.

Index Definitions

- Transaction Costs
 - Cost and saving estimates only account for labor time required to conduct the transaction. Systems costs as well as pre- and follow-up work are not included.
- Electronic Transaction
 - Automated transaction conducted using the adopted HIPAA standard.
- Manual Transaction
 - Transaction requiring end-to-end human interaction, such as telephone, fax, and/or mail.
- Partially Electronic Transaction
 - Transaction includes web portals and interactive voice response (IVR) systems.

Financial Metrics

- **Potential Savings**
 - The savings associated with switching from manual/partially electronic transactions to fully electronic transactions.
- **Estimated Spend**
 - The amount of money medical and dental plans and providers spend on conducting a transaction by modality (electronically, partially electronic, manually).
- **Electronic Spend**
 - Costs necessary to conduct the transaction.
- **Cost Avoided**
 - The amount of money that was saved by conducting an automated/electronic transaction instead of a manual or partially electronic transaction.

2020 Transactions Reported

Transaction	Adoption		Cost per Transaction		Estimated National Potential Cost Savings and Spending		Time per Transaction for Providers		First Index Report Year Studied	
	MEDICAL	DENTAL	MEDICAL	DENTAL	MEDICAL	DENTAL	MEDICAL	DENTAL	MEDICAL	DENTAL
Eligibility and Benefit Verification	♦	♦	♦	♦	♦	♦	♦	♦	2013	2015
Prior Authorization	♦	No Benchmark Reported (Insufficient Data)	♦		♦		♦		2013	
Claim Submission	♦	♦	♦	♦	♦	♦	♦	♦	2013	2015
Attachments	♦	♦	♦		♦		♦		2014	2016
Acknowledgements	♦	No Benchmark Reported (Insufficient Data)							2017	
Coordination of Benefits	♦	No Benchmark Reported (Insufficient Data)	♦		♦				2015	
Claim Status Inquiry	♦	♦	♦	♦	♦	♦	♦	♦	2013	2015
Claim Payment	♦	♦	♦	♦	♦	♦	♦	♦	2013	2015
Remittance Advice	♦	♦	♦	♦	♦	♦	♦	♦	2013	2016

2020 Data Collection Effort

- Timeframe: End of June to the middle of September
- Covered Lives
 - 51% Medical
 - 43% Dental
- Provider response increased by 37%
- Number of Transactions Reported by 2020 Participants
 - Medical: 10 B
 - Dental: 740 M
- Reportable Transactions
 - 9 Medical
 - 6 Dental
- Enhancements
 - Recruiting
 - Content
 - Analyses

Reporting Period:
Calendar year 2019

Does not include data
from COVID-19.

High-Level Findings

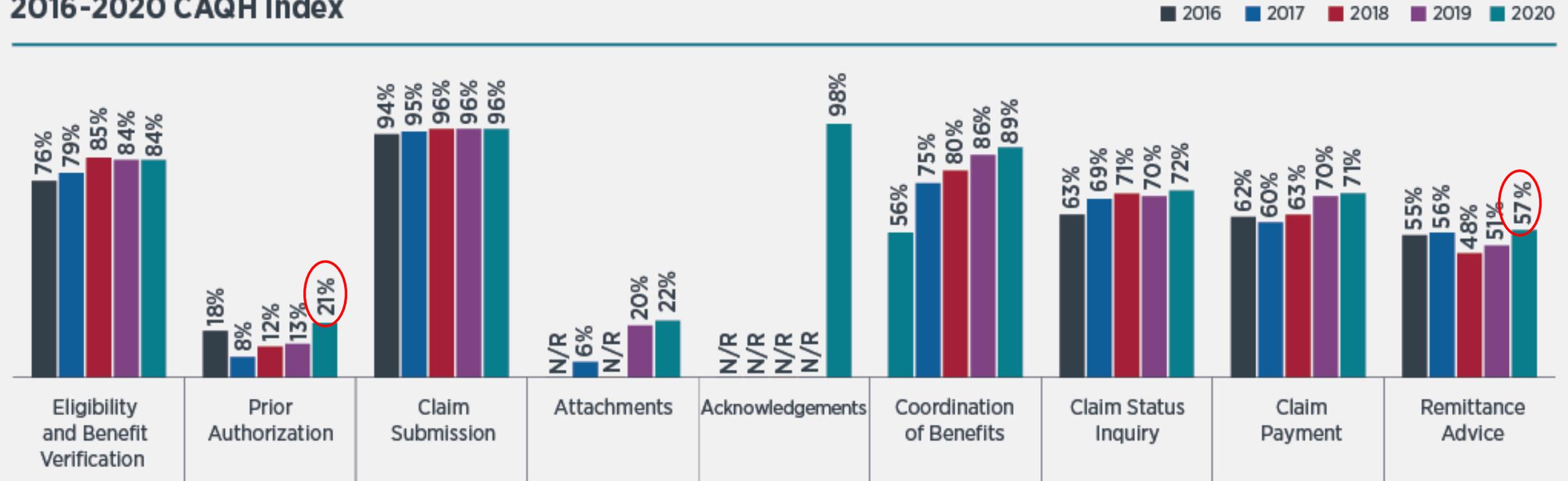
2020 High-Level Findings

- Adoption of electronic transactions improved or remained stable for all medical and dental transactions.
- Overall volume increased for the medical and dental industries led by strong gains in electronic transaction volume.
- Industry spending on administrative transactions decreased as the cost of electronic transactions declined.
- Savings opportunities increased for the medical industry as the gap in costs for electronic vs partially electronic and manual transactions increased. Electronic costs decreased and manual and partially electronic costs increased
- Savings opportunities decreased for the dental industry as electronic adoption increased.
- The annual costs avoided by the healthcare industry through automation increased.

Medical Plan Adoption Increased or Remained Relatively Stable



Figure 2: Medical Plan Adoption of Fully Electronic Administrative Transactions, 2016-2020 CAQH Index

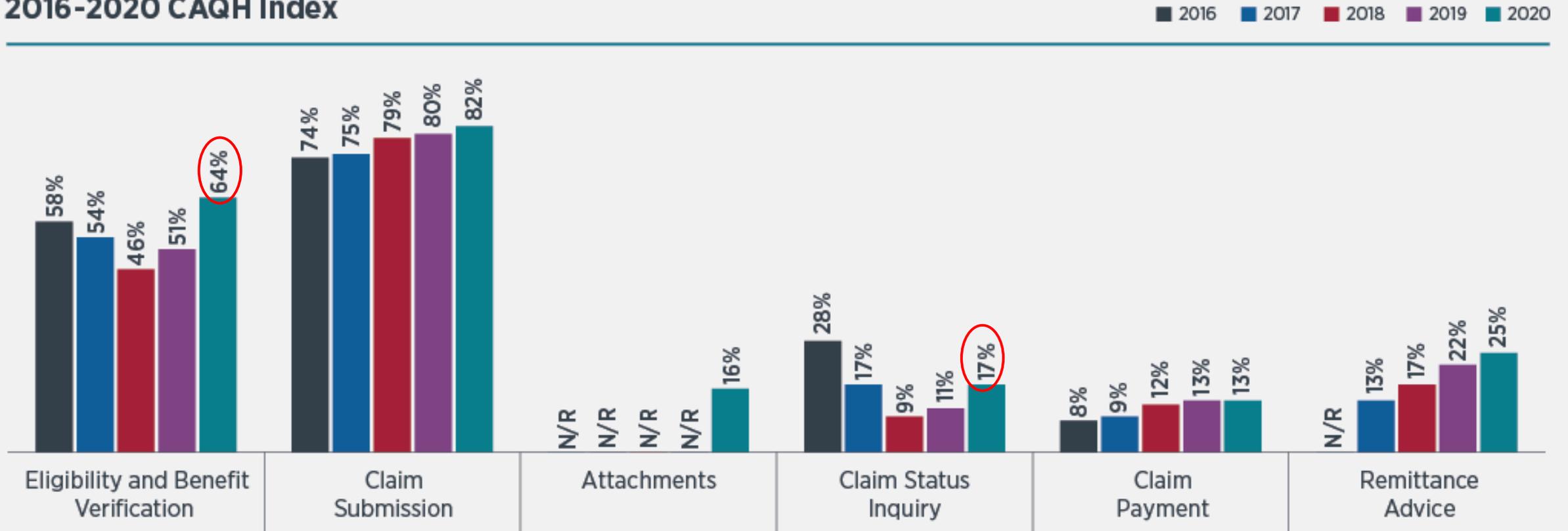


N/R = Not Reported

Dental Plan Adoption Increased or Remained Stable for all Transactions



Figure 3: Dental Plan Adoption of Fully Electronic Administrative Transactions, 2016-2020 CAQH Index

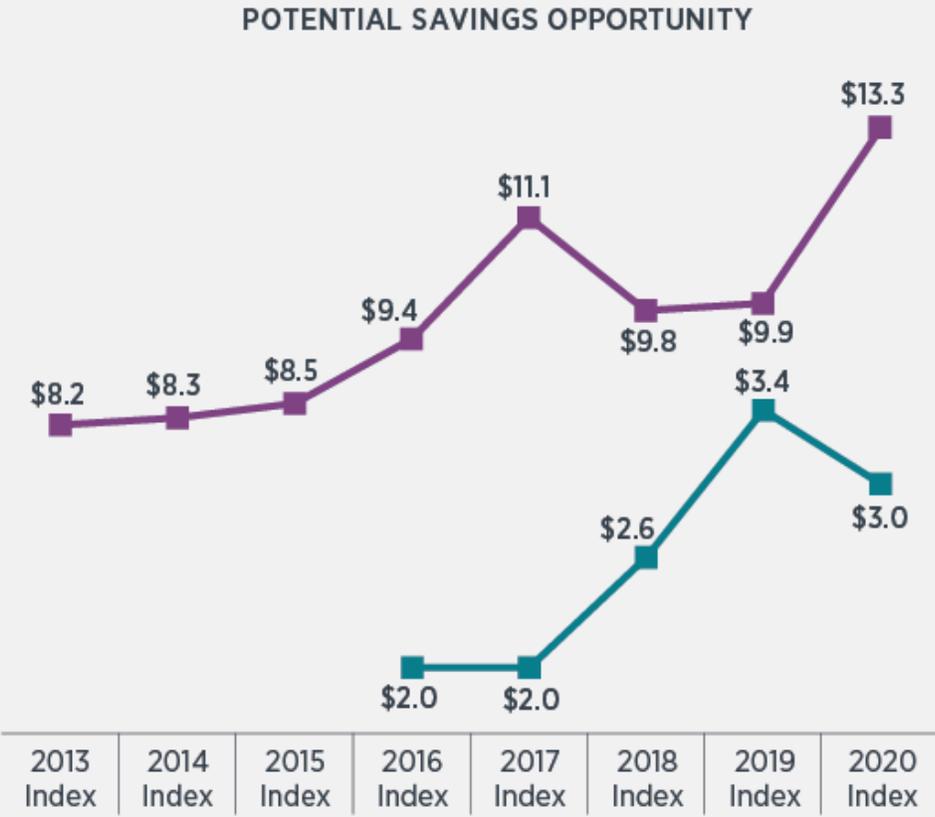
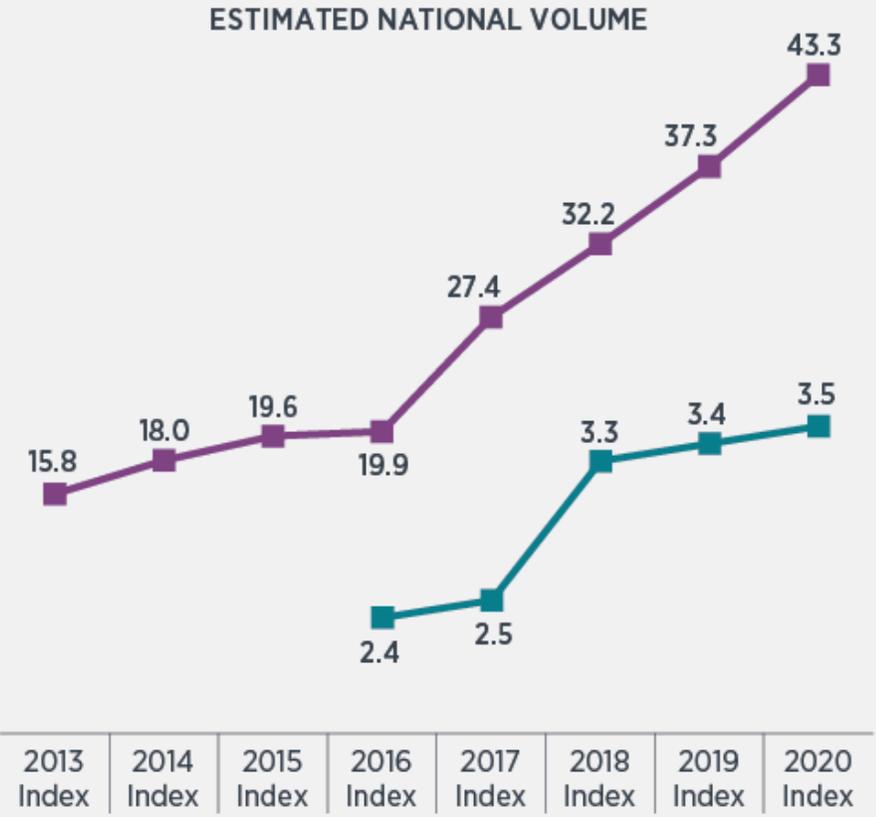


N/R = Not Reported

Overall Industry Volume Increased; Dental Savings Opportunity Decreased

Figure 4: Industry Estimated National Volume and Potential Savings Opportunity, 2013-2020 CAQH Index (In billions)

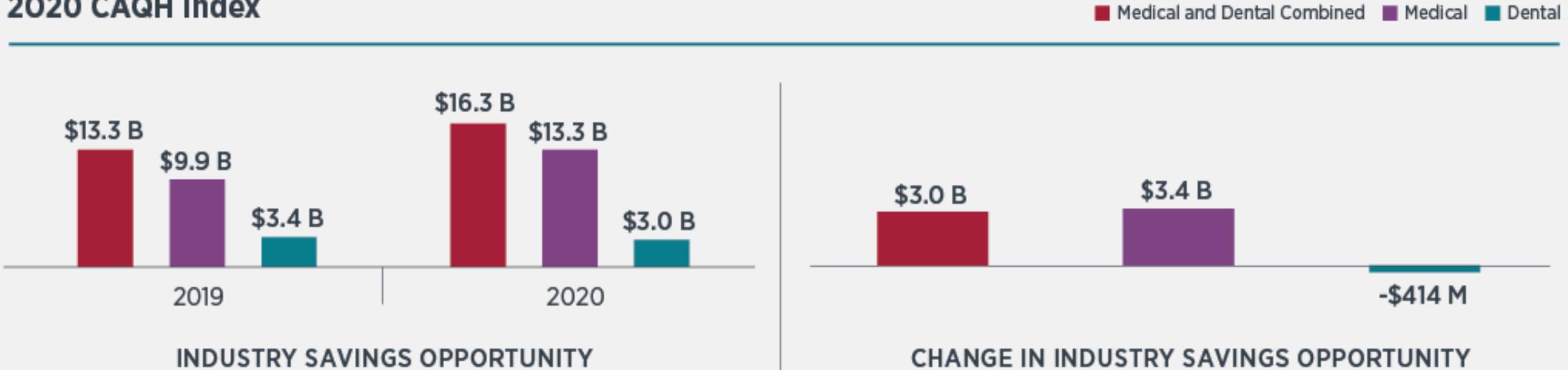
■ Medical ■ Dental



Note: From year to year reported transactions may change due to low volume collected. May not be drawn to scale.

Overall Industry Savings Opportunities Increased

Figure 5: Industry Savings Opportunity and Year-Over-Year Change, 2020 CAQH Index



Note: From year to year reported transactions may change due to low volume collected.

Medical Average Cost per Transaction and Savings Opportunity



- Biggest savings opportunities:
 - Claim status inquiry (\$11.71)
 - Prior authorization (\$9.64)
 - Eligibility and benefits (\$8.64)

- On average, each manual transaction costs the industry \$5.42 more than each electronic transaction.

- Medical industry could save as much as \$43.39 for a single patient encounter by conducting all transactions electronically.
 - \$29.84 for providers
 - \$13.55 for plans

- Savings associated with moving from partially electronic portals to fully electronic transactions:
 - Prior authorization (\$3.43)
 - Claim status inquiry (\$2.19)
 - Eligibility and benefits (\$1.60)

Transaction	Mode	Plan Cost	Provider Cost	Industry Cost	Plan Savings Opportunity	Provider Savings Opportunity	Industry Savings Opportunity
Eligibility and Benefit Verification	Manual	\$3.66	\$5.83	\$9.49	\$3.63	\$5.01	\$8.64
	Partial	\$0.03	\$2.42	\$2.45	\$0.00	\$1.60	\$1.60
	Electronic	\$0.03	\$0.82	\$0.85			
Prior Authorization	Manual	\$3.14	\$10.26	\$13.40	\$3.02	\$6.62	\$9.64
	Partial	\$0.12	\$7.07	\$7.19	\$0.00	\$3.43	\$3.43
	Electronic	\$0.12	\$3.64	\$3.76			
Claim Submission	Manual	\$1.18	\$2.52	\$3.70	\$1.10	\$1.33	\$2.43
	Electronic	\$0.08	\$1.19	\$1.27			
Attachments	Manual	\$0.66	\$5.10	\$5.76	\$0.49	\$3.60	\$4.09
	Electronic	\$0.17	\$1.50	\$1.67			
Coordination of Benefits	Manual	\$1.26	N/A	\$1.26	\$1.05	N/A	\$1.05
	Partial	\$0.21	N/A	\$0.21	\$0.00	N/A	\$0.00
	Electronic	\$0.21	N/A	\$0.21			
Claim Status Inquiry	Manual	\$3.48	\$9.37	\$12.85	\$3.44	\$8.27	\$11.71
	Partial	\$0.04	\$3.29	\$3.33	\$0.00	\$2.19	\$2.19
	Electronic	\$0.04	\$1.10	\$1.14			
Claim Payment	Manual	\$0.57	\$3.18	\$3.75	\$0.49	\$1.99	\$2.48
	Electronic	\$0.08	\$1.19	\$1.27			
Remittance Advice	Manual	\$0.40	\$3.96	\$4.36	\$0.33	\$3.02	\$3.35
	Partial	\$0.07	\$2.53	\$2.60	\$0.00	\$1.59	\$1.59
	Electronic	\$0.07	\$0.94	\$1.01			

N/A = Not Applicable

Note: Costs include the labor time required to conduct the transaction, not the time and cost associated with gathering information for the transaction and follow-up. Does not include system costs. All participants were asked to report cost for each transaction by the three modes of completion (manual, partial electronic, electronic). For some transactions, partial costs were not reported.

Dental Average Cost per Transaction and Savings Opportunity



- Biggest savings opportunities:
 - Claim status inquiry (\$10.92)
 - Eligibility and benefits (\$8.75)
- On average, each manual transaction costs the industry \$5.47 more than each electronic transaction.
- Medical industry could save as much as \$27.35 for a single patient encounter by conducting all transactions electronically.
 - \$20.30 for providers
 - \$7.05 for plans
- Savings associated with moving from partially electronic portals to fully electronic transactions:
 - Claim status inquiry (\$2.51)
 - Eligibility and benefits (\$2.38)

Transaction	Mode	Plan Cost	Provider Cost	Industry Cost	Plan Savings Opportunity	Provider Savings Opportunity	Industry Savings Opportunity
Eligibility and Benefit Verification	Manual	\$3.30	\$6.96	\$10.26	\$3.27	\$5.48	\$8.75
	Partial	\$0.03	\$3.86	\$3.89	\$0.00	\$2.38	\$2.38
	Electronic	\$0.03	\$1.48	\$1.51			
Claim Submission	Manual	\$0.44	\$3.63	\$4.07	\$0.35	\$2.31	\$2.66
	Electronic	\$0.09	\$1.32	\$1.41			
Claim Status Inquiry	Manual	\$3.30	\$9.29	\$12.59	\$3.27	\$7.65	\$10.92
	Partial	\$0.03	\$4.15	\$4.18	\$0.00	\$2.51	\$2.51
	Electronic	\$0.03	\$1.64	\$1.67			
Claim Payment	Manual	\$0.12	\$3.37	\$3.49	\$0.11	\$1.80	\$1.91
	Electronic	\$0.01	\$1.57	\$1.58			
Remittance Advice	Manual	\$0.07	\$4.80	\$4.87	\$0.05	\$3.06	\$3.11
	Partial	\$0.02	\$3.33	\$3.35	\$0.00	\$1.59	\$1.59
	Electronic	\$0.02	\$1.74	\$1.76			

Note: Costs include the labor time required to conduct the transaction, not the time and cost associated with gathering information for the transaction and follow-up. Does not include system costs. All participants were asked to report cost for each transaction by the three modes of completion (manual, partial electronic, electronic). For some transactions, partial costs were not reported.

Overall Industry Spend Decreased while the Savings Opportunity Increased

Figure 1: Estimated Medical and Dental Spend and Savings, 2019-2020 CAQH Index (In billions)

■ Electronic Spend + ■ Savings Opportunity = Estimated spend
 ■ Electronic Spend + ■ Savings Opportunity + Cost Avoided = Estimated spend if all transactions were manual

MEDICAL



DENTAL



MEDICAL AND DENTAL INDUSTRY



Note: May not be drawn to scale.

Medical Spend Decreased and Cost Avoided Increased Through Automation



\$33.4 B annual estimated spend

- Eligibility and Benefit Verification spend represents 47% of total annual spend
- Claim Submission spend represents 17% of total annual spend
- Remittance Advice spend represents 17% of total annual spend

Figure 32: Estimated Medical Spending and Savings by Transaction, 2019-2020 CAQH Index (In millions)

■ Electronic Spend + ■ Savings Opportunity = Estimated spend
 ■ Electronic Spend + ■ Savings Opportunity + Cost Avoided = Estimated spend if all transactions were manual



Note: May not be drawn to scale.

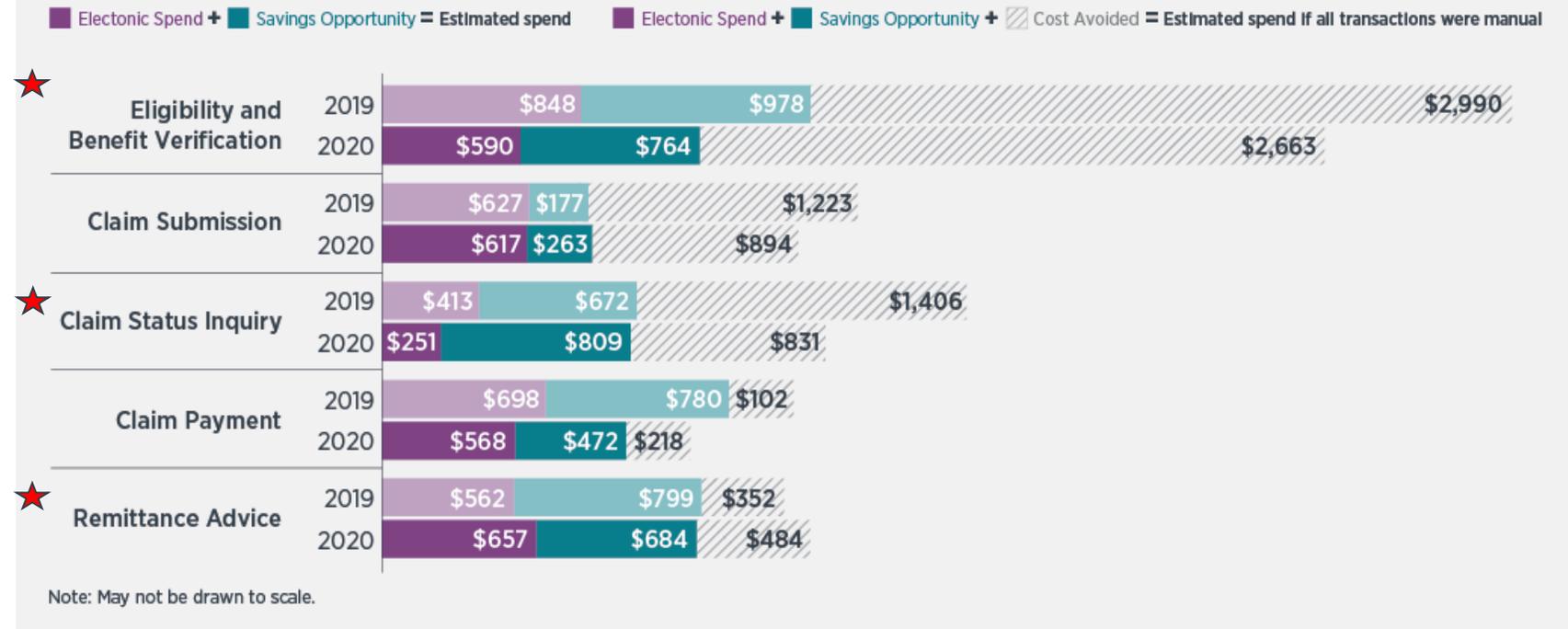
Dental Spend and Costs Avoided Decreased Through Automation



\$5.7 B annual estimated spend

- Eligibility and Benefit Verification spend represents 24% of total annual spend
- Remittance Advice spend represents 24% of total annual spend
- Claim Status Inquiry spend represents 19% of total annual spend

Figure 33: Dental Industry Estimated Spending and Savings by Transaction, 2019-2020 CAQH Index (In millions)





On average, manual transactions require **nine minutes more** than fully electronic transactions.

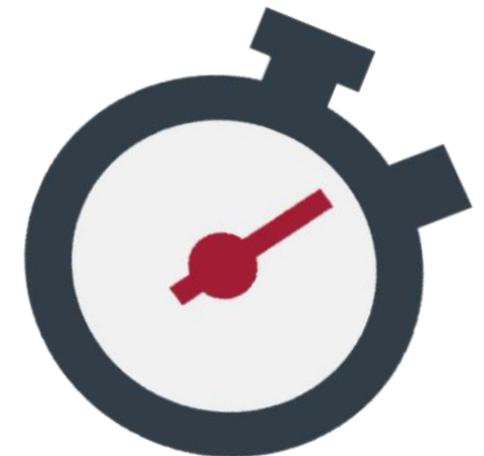
Claim Status Inquiry
17 minutes

Prior Authorization
12 minutes

Eligibility and Benefits
11 minutes

A medical provider practice could save **61 minutes** on average for a patient requiring all **seven** transactions by switching from manual to fully electronic.

A medical provider practice could save **15 minutes** on average for a patient requiring **four*** transactions by switching from partial to fully electronic.



* Eligibility and Benefits, Prior Authorization, Claim Status Inquiry, Remittance Advice



On average, manual transactions require **seven minutes more** than fully electronic transactions.

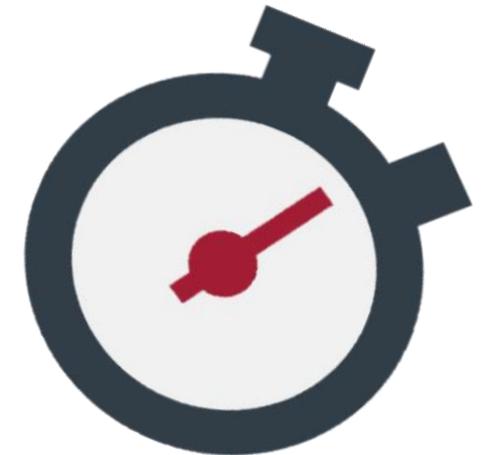
Claim Status Inquiry
14 minutes

Eligibility and Benefits
10 minutes

A dental provider practice could save **37 minutes** on average for a patient requiring all **five** transactions by switching from manual to fully electronic.

Remittance Advice
6 minutes

A dental provider practice could save **11 minutes** on average for a patient requiring **three*** transactions by switching from partial to fully electronic.



* Eligibility and Benefits, Claim Status Inquiry, Remittance Advice

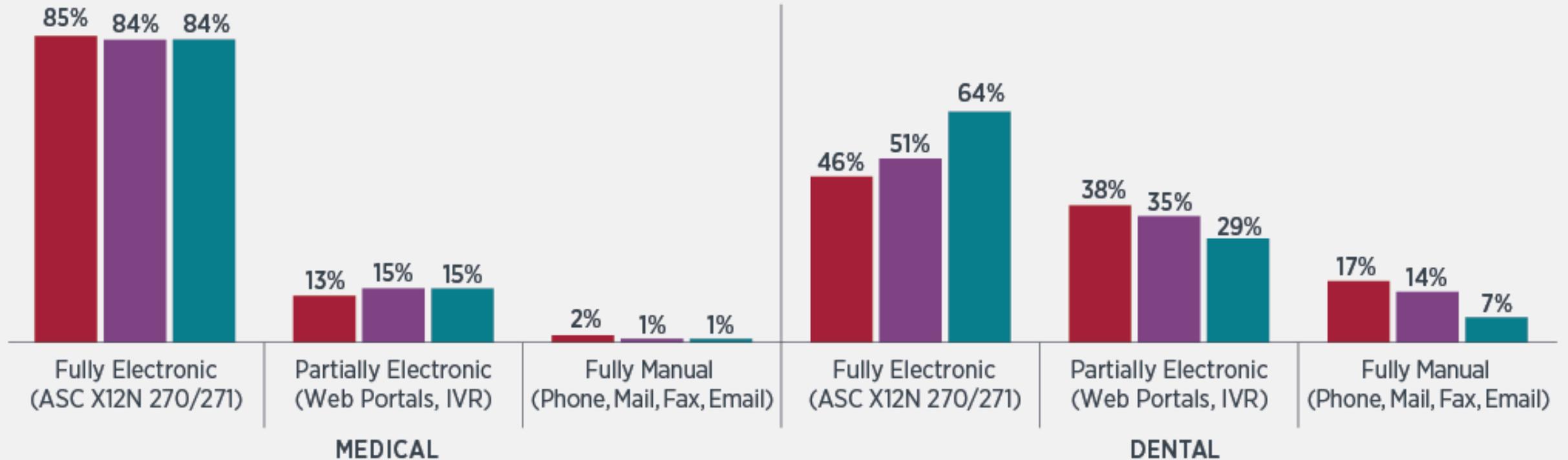
Detailed Findings

Eligibility and Benefit Verification

Eligibility and Benefits: Medical and Dental Plan Adoption by Mode

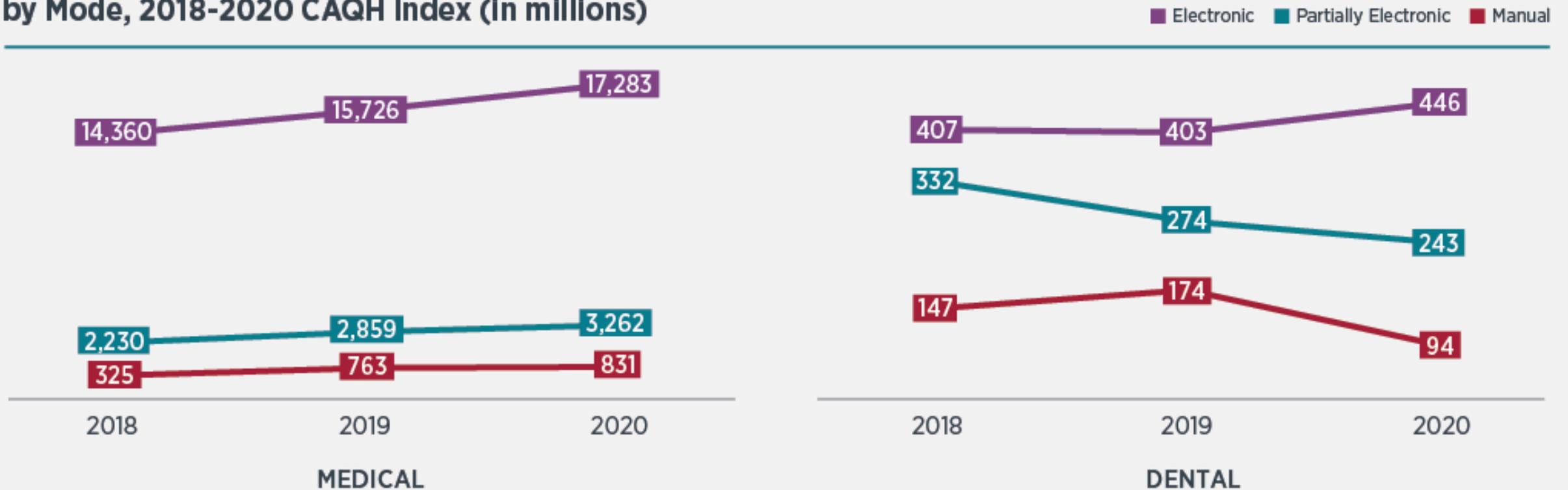
Figure 7: Medical and Dental Plan Adoption of Eligibility and Benefit Verification, 2018-2020 CAQH Index

■ 2018 ■ 2019 ■ 2020



Eligibility and Benefits: Medical and Dental Industry Estimated Volume by Mode

Figure 8: Estimated National Volume of Eligibility and Benefit Verification by Mode, 2018-2020 CAQH Index (In millions)



Note: Data represents plans and providers.

Prior Authorization



Figure 10: Medical Plan Adoption of Prior Authorization, 2018-2020 CAQH Index

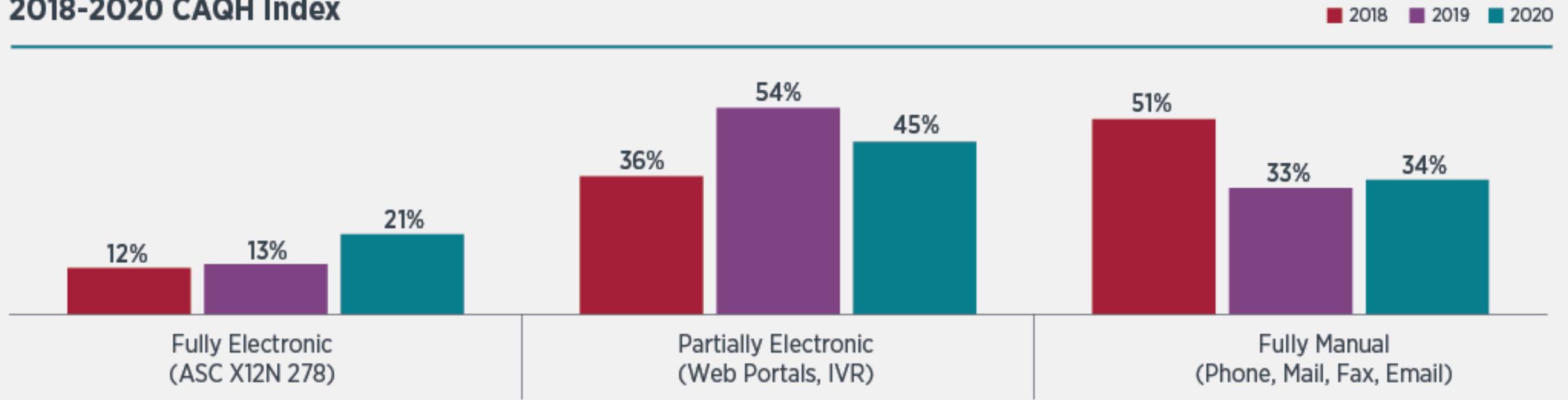
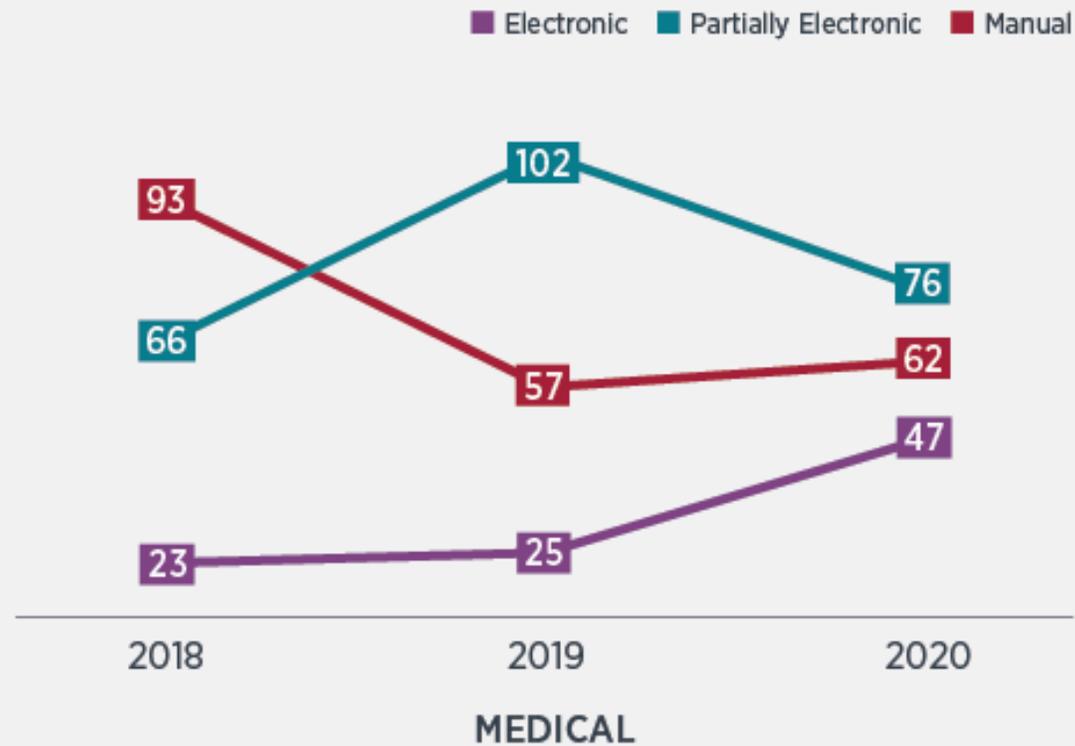




Figure 11: Estimated National Volume of Prior Authorization by Mode, 2018-2020 CAQH Index (In millions)



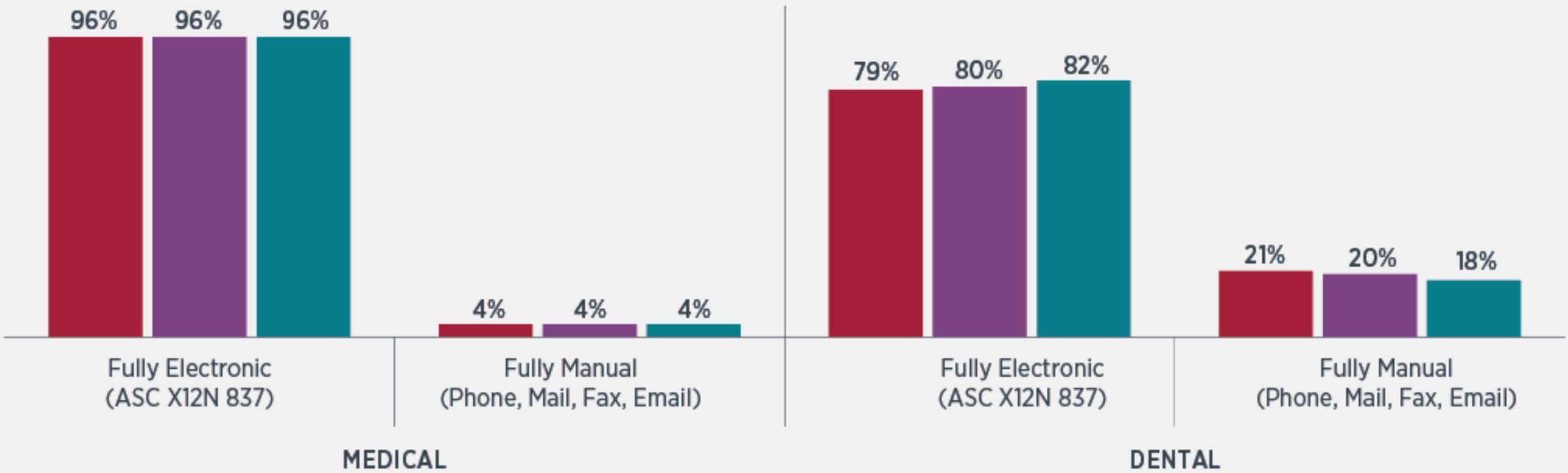
Note: Data represents plans and providers.

Claim Submission

Claim Submission: Medical and Dental Plan Adoption by Mode

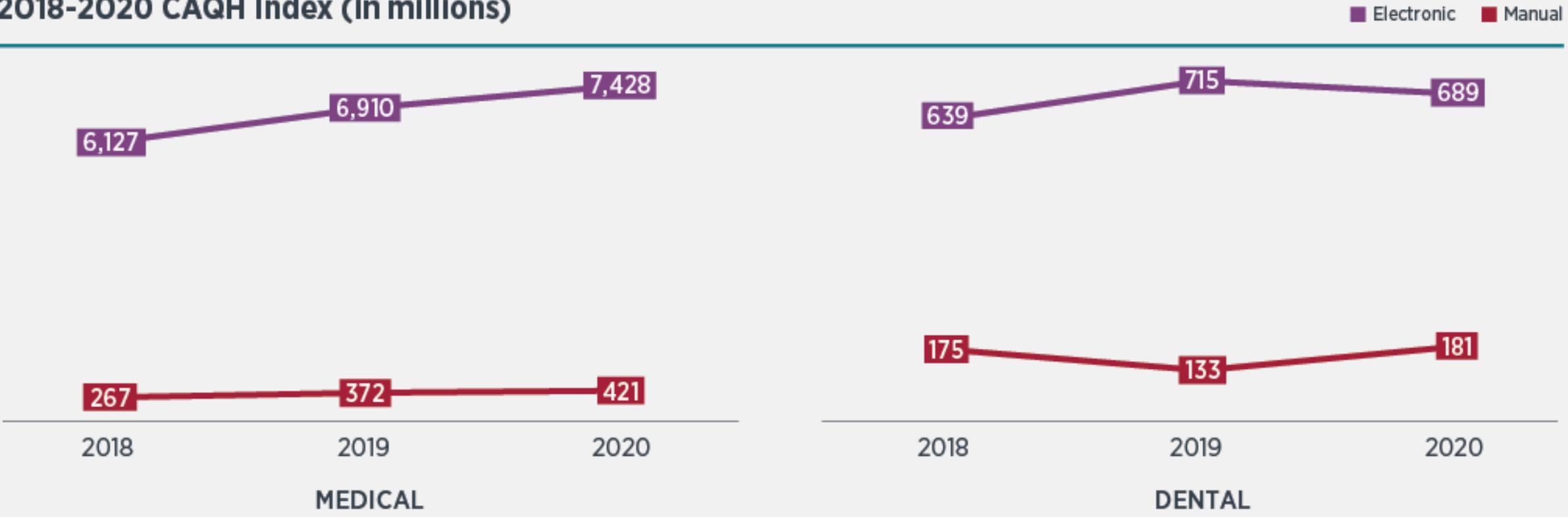
Figure 13: Medical and Dental Plan Adoption of Claim Submission, 2018-2020 CAQH Index

2018 2019 2020



Claim Submission: Medical and Dental Industry Estimated Volume by Mode

Figure 14: Estimated National Volume of Claim Submission by Mode, 2018-2020 CAQH Index (In millions)

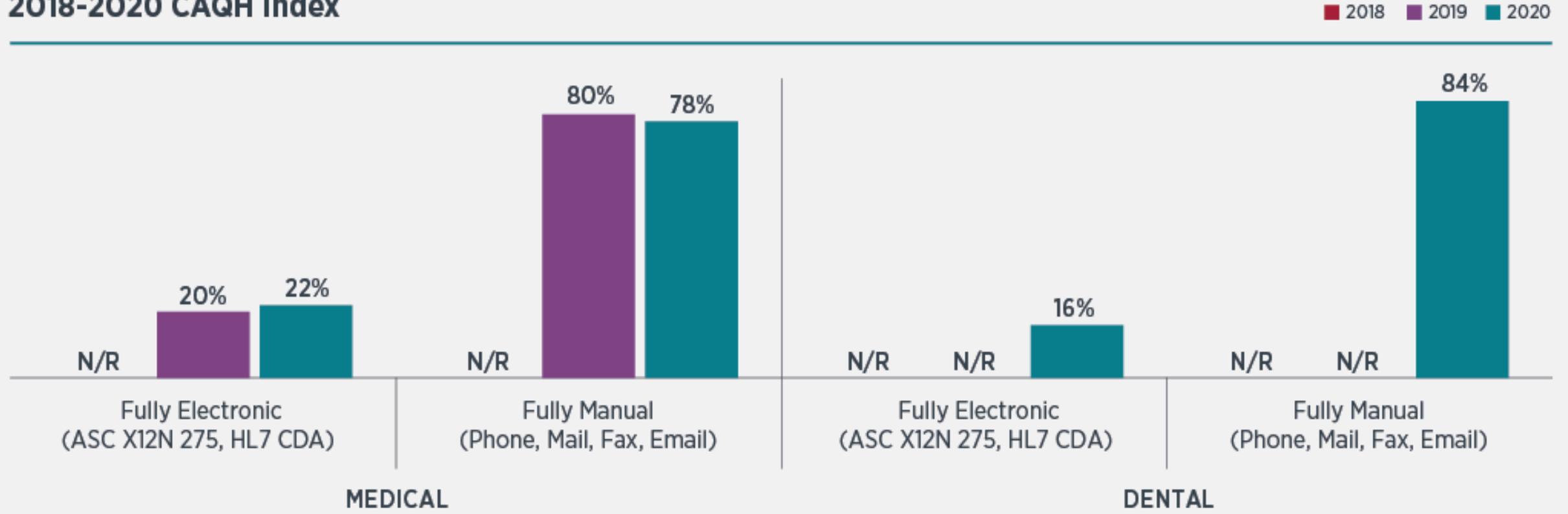


Note: Data represents plans and providers.

Attachments



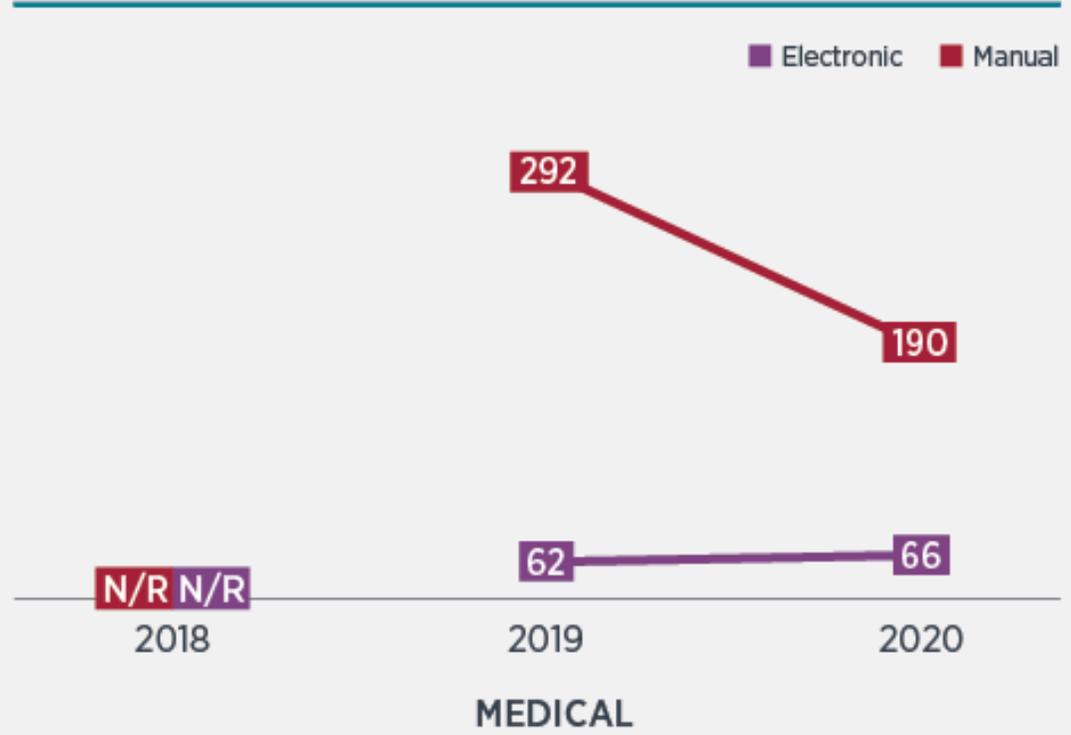
Figure 16: Medical and Dental Plan Adoption of Attachments, 2018-2020 CAQH Index



N/R = Not Reported



Figure 17: Estimated National Volume of Attachments by Mode, 2019-2020 CAQH Index (In millions)

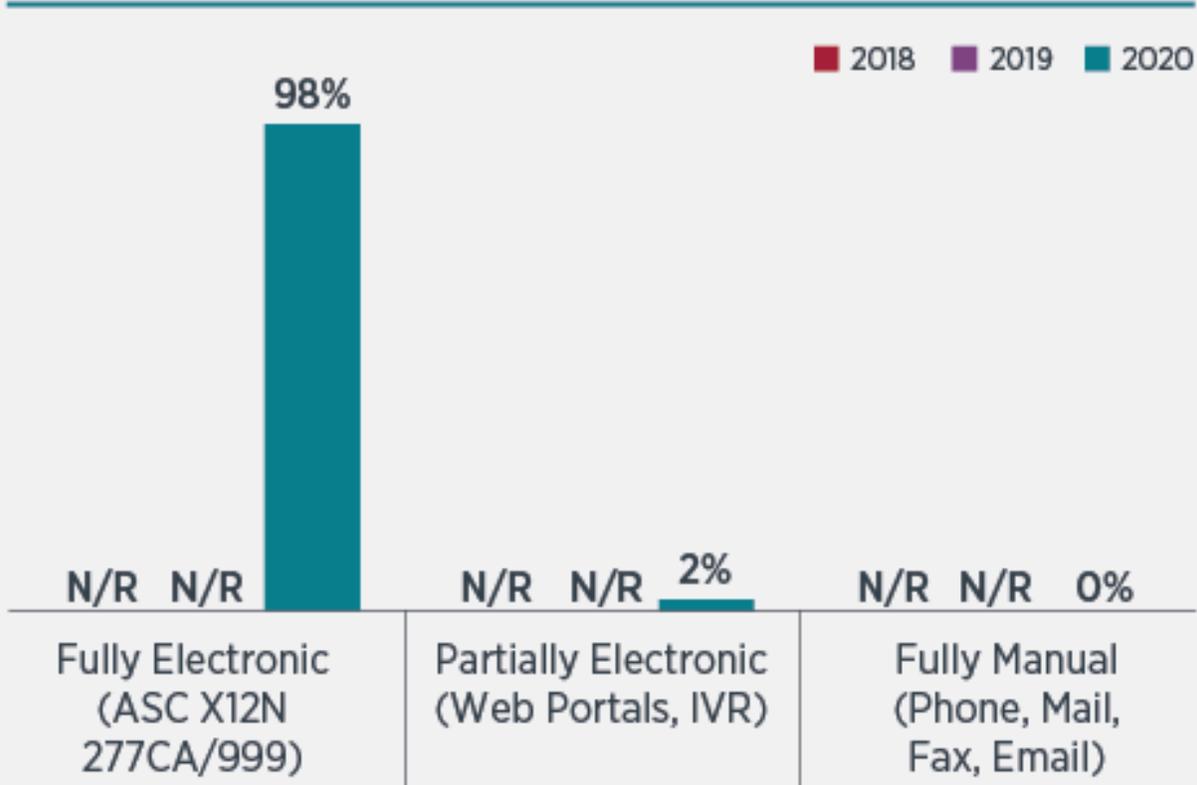


N/R = Not Reported
Note: Data represents plans and providers.

Acknowledgements



Figure 19: Medical Plan Adoption of Acknowledgements, 2020 CAQH Index



N/R = Not Reported

Coordination of Benefits (COB)



Figure 20: Medical Plan Adoption of Coordination of Benefits, 2018-2020 CAQH Index

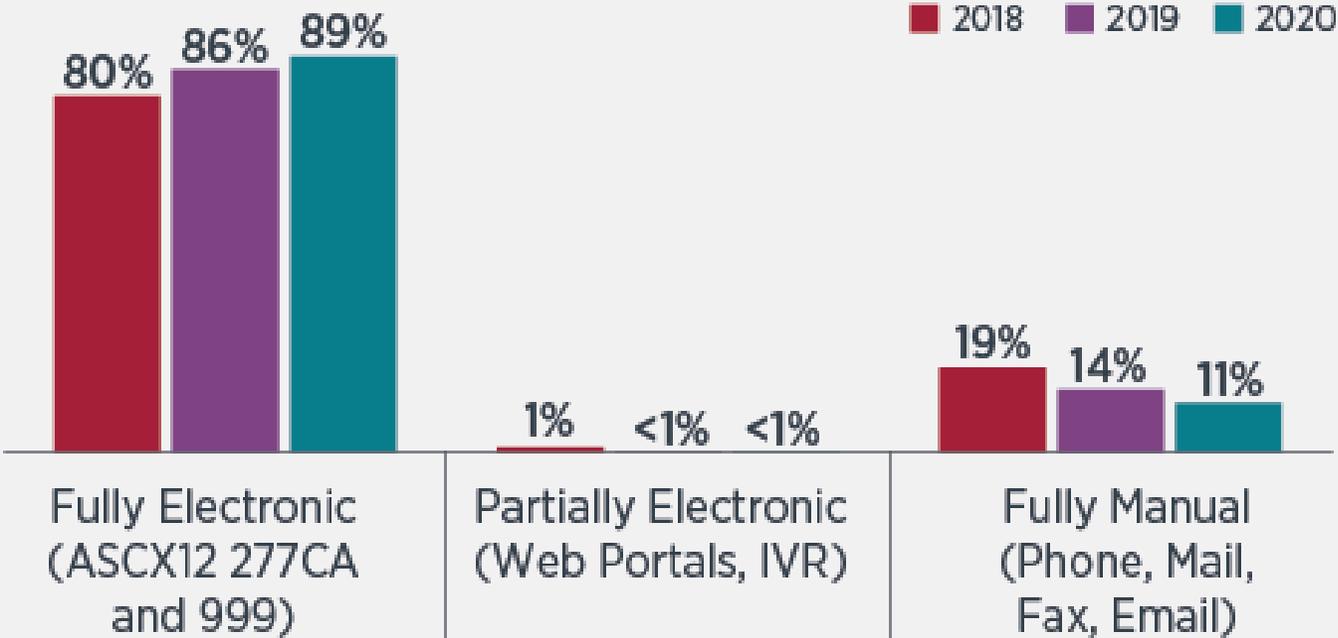
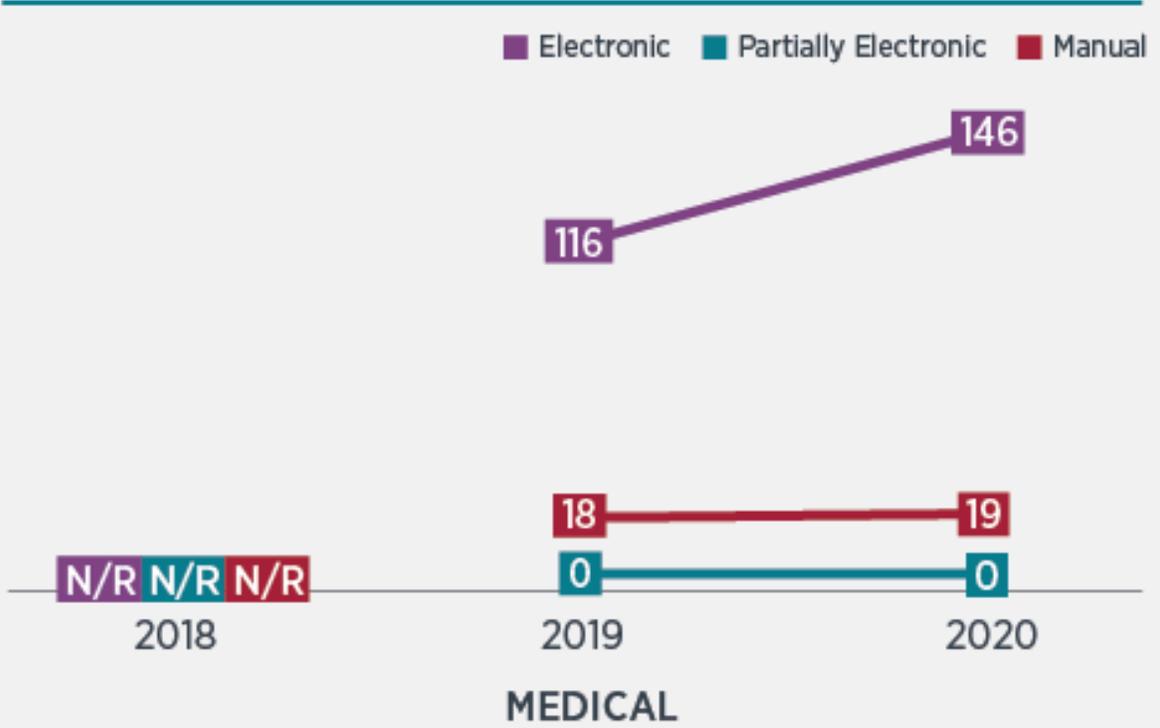




Figure 21: Estimated National Volume of Coordination of Benefits by Mode, 2020 CAQH Index (In millions)



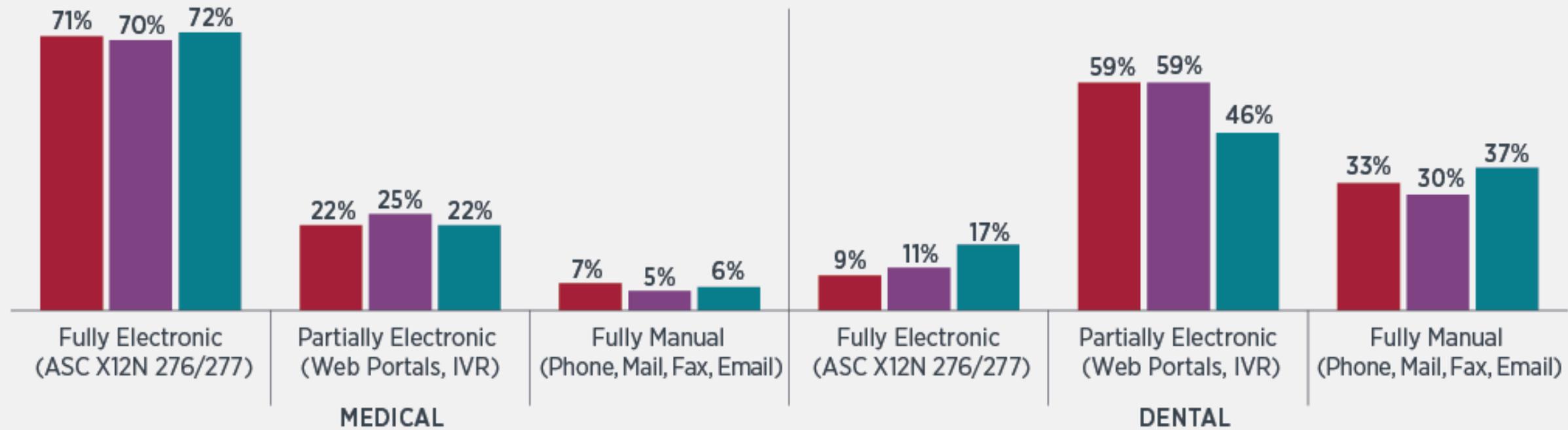
N/R = Not Reported
Note: Data represents plans and providers.

Claim Status Inquiry

Claim Status Inquiry: Medical and Dental Plan Adoption by Mode

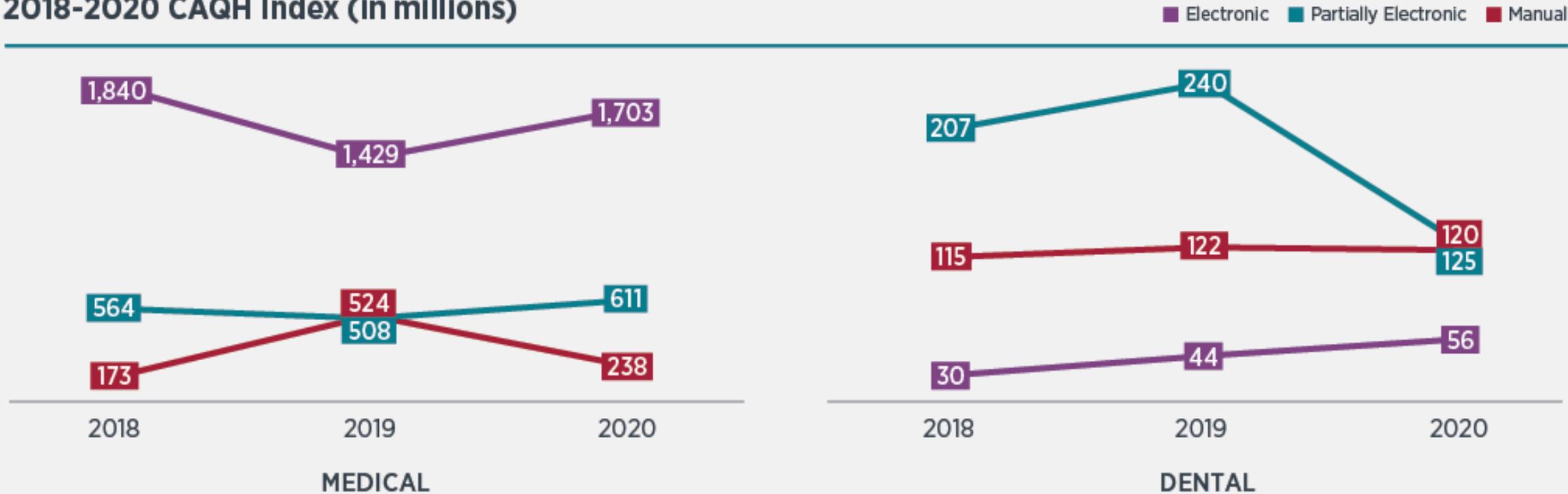
Figure 23: Medical and Dental Plan Adoption of Claim Status Inquiry, 2018-2020 CAQH Index

■ 2018 ■ 2019 ■ 2020



Claim Status Inquiry: Medical and Dental Industry Estimated Volume by Mode

Figure 24: Estimated National Volume of Claim Status Inquiry by Mode, 2018-2020 CAQH Index (In millions)



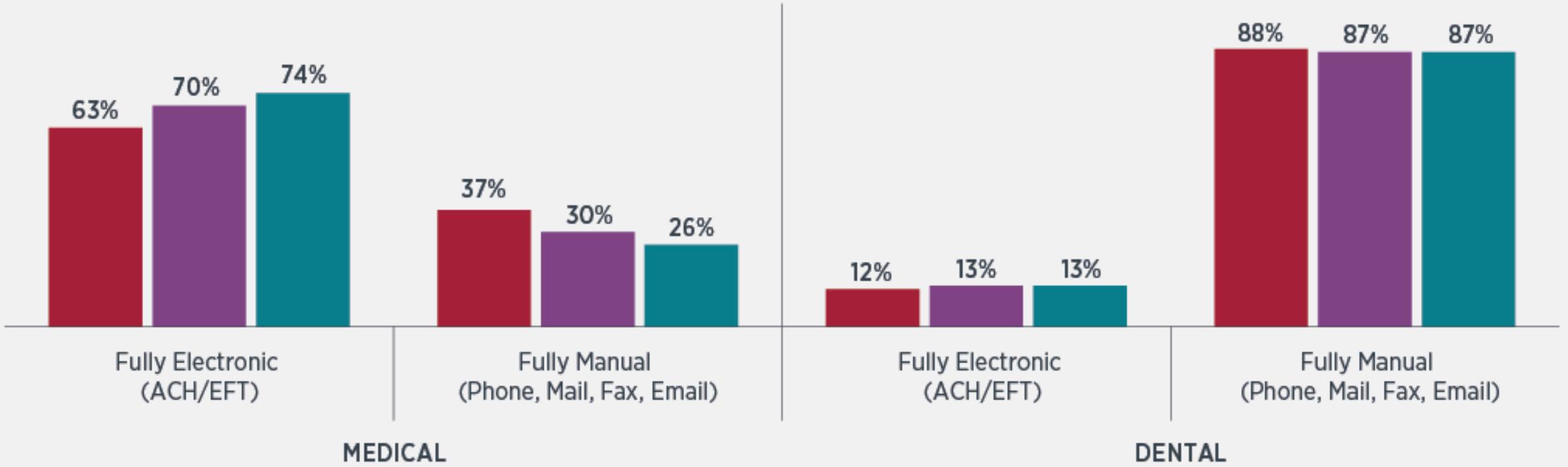
Note: Data represents plans and providers.

Claim Payment

Claim Payment: Medical and Dental Plan Adoption by Mode

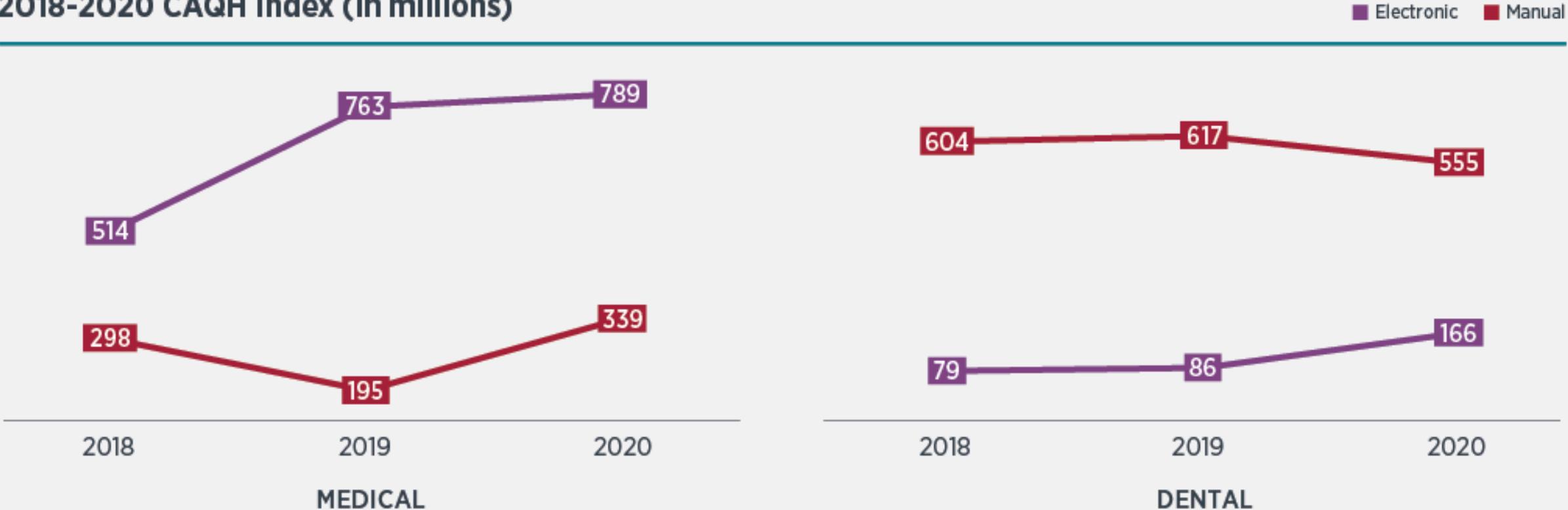
Figure 26: Medical and Dental Plan Adoption of Claim Payment, 2018-2020 CAQH Index

■ 2018 ■ 2019 ■ 2020



Claim Payment: Medical and Dental Industry Estimated Volume by Mode

Figure 27: Estimated National Volume of Claim Payment by Mode, 2018-2020 CAQH Index (In millions)

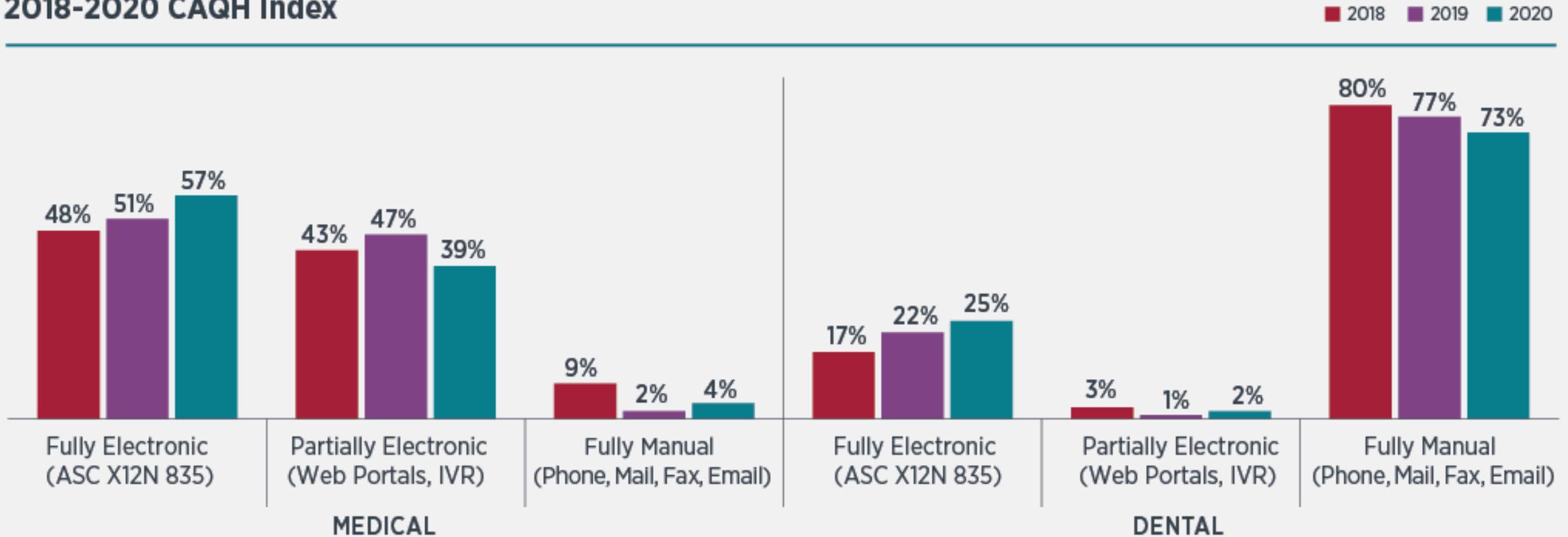


Note: Data represents plans and providers.

Remittance Advice

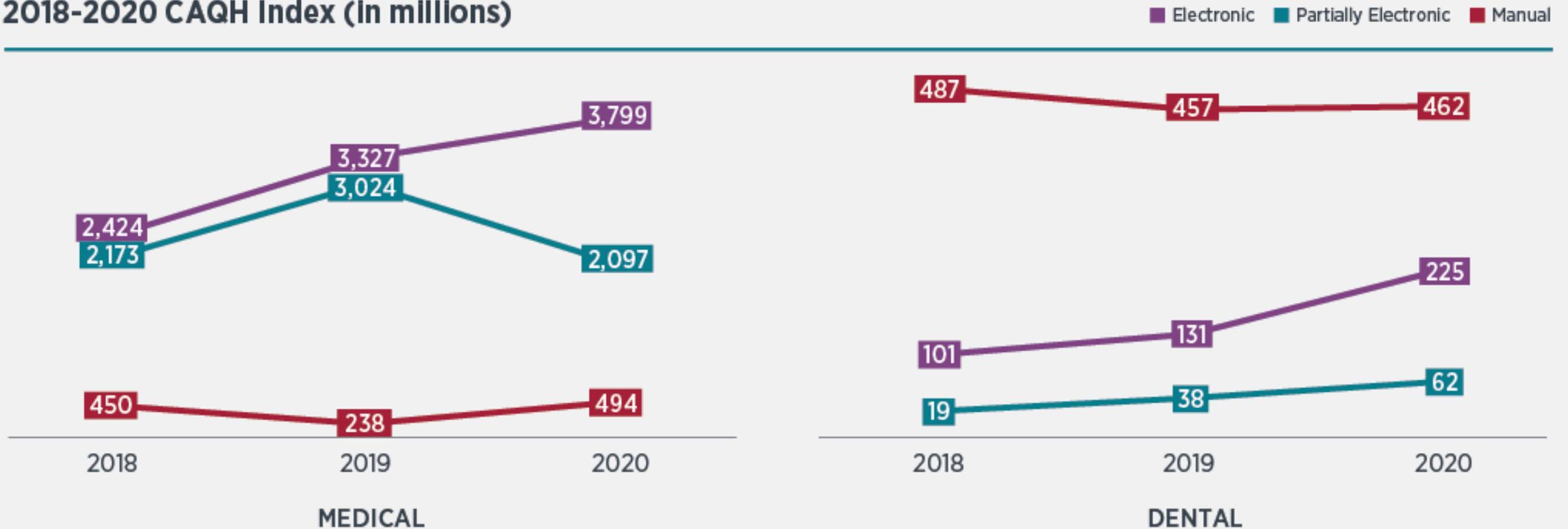
Remittance Advice: Medical and Dental Plan Adoption by Mode

Figure 29: Medical and Dental Plan Adoption of Remittance Advice, 2018-2020 CAQH Index



Remittance Advice: Medical and Dental Industry Estimated Volume by Mode

Figure 30: Estimated National Volume of Remittance Advice by Mode, 2018-2020 CAQH Index (In millions)



Note: Data represents plans and providers.

Call to Action

- Focus efforts to address cost-savings opportunities
 - Medical savings opportunity increased due to increased manual and web portal costs
 - Eligibility and benefits largest cost savings opportunity overall
 - Prior authorization highest per web portal transaction cost savings opportunity
- Accelerate standards and operating rule development to address emerging market needs
 - Government and industry efforts
 - Standards and operating rules need to address emerging more complex business needs
 - Incorporating value-based care needs into the administrative workflow
- Capitalize and expand progress made to date
 - Expand on progress made by the dental industry
 - Build on the burgeoning improvement on prior authorization

Questions

**The 2020 CAQH Index report is available now at
www.caqhindex.org.**

**A recording of this webinar will also be available at
this location within a week of the webinar.**