

Provider Overhead Costs Related to Insurance Plans

2009 study: Cost of physician and staff time interactions with insurance companies: \$68,274 on average per physician for an estimated national total of \$31 billion (6.9% of all U.S. expenditures for physician and clinical services).

(Lawrence P. Casalino, M.D., Ph.D., Sean Nicholson, Ph.D., and others, "What Does It Cost Physician Practices to Interact with Health Insurance Plans?" *Health Affairs – Web Exclusive*, May 14, 2009.)

Other studies estimate that anywhere from 14% to 27% of physician revenue is spent on time/resources dealing with insurance companies.

(Julie An Sakowski, James G. Kahn, and others, "Peering Into The Black Box: Billing and Insurance Activities in a Medical Group," *Health Affairs- Web Exclusive*, May 14, 2009, p. 544

Note: Physician overhead costs include: cost of using an outside company for processing and billing claims, time costs incurred by physicians and staff - paperwork and contact time – contacting payers about prescriptions, diagnoses, treatment plans, and referrals, revenue lost because claims initially rejected, delayed, reprocessed.