

# Five Cost-Cutting Tips for Health Plans

## Rising Costs Are Reshaping Health Plan Operations

**\$40**

Claim processing costs up to **\$40 per claim**<sup>1</sup>

**6.2%**

Admin expenses are up **6.2%**<sup>2</sup>

**10–11%**

Admin expenses consume **10–11% of premium revenue**<sup>3</sup>

### Areas driving up admin expenses include:

- Slow manual workflows
- Staff intervention
- Increasing rejections and denials
- Paper-handling and errors
- Long adjudication cycles

## Modernize Claims Operations and Protect Margins

### 1. Validate Claims Against Real-time Data



#### Problem

When claims are not validated against the most recent requirements, denials occur, resulting in a costly cycle of corrections, resubmissions, and manual rehandling.



#### Tip

Verify claim data in real time against current rules and plan policies, which can be updated quickly to maintain accuracy.



#### Impact

- + Lower processing cost per claim
- + Less staff intervention and resubmissions
- + Faster adjudication cycles

### 2. Pre-Scrub Submitted Claims



#### Problem

Invalid, incomplete, and inaccurate submissions drive up cost and delay processing.



#### Tip

Pre-scrub claims against comprehensive edits and identify missing data, errors, and policy mismatches to catch issues upfront.



#### Impact

- + Faster processing
- + Reduced admin expenses
- + Fewer downstream corrections

### 3. Optimize Clearinghouse Strategy



#### Problem

Relying on a single clearinghouse can increase costs and risk of disruptions/outages.

**~20%**

Avoid ~20% claims disruption risk with a diversified clearinghouse strategy.<sup>4</sup>



#### Tip

Adopt a multi-clearinghouse strategy to reduce risk, optimize costs, and improve resilience.

#### Impact

- + Lower business continuity risk
- + Better operational and cost control
- + Improved connectivity and scalability

### 4. Automate Claim Routing



#### Problem

Manual workflows increase cost per claim and slow throughput.

**\$20B**

Unlock share of \$20B in admin savings from transitioning to fully electronic processing.<sup>5</sup>



#### Tip

Use intelligent automation for straight-through processing and directing claims to the appropriate queues for adjudication support and exception handling.

#### Impact

- + Faster processing speed
- + Improved scalability without headcount growth
- + Fewer staff touchpoints and bottlenecks

### 5. Fully Digitize Data and Document Handling



#### Problem

Paper handling and manual processes create inefficiencies, errors, and limit visibility into claim status and operational performance.



#### Tip

Convert paper documents to electronic data, support electronic attachments, and automate ERA retrieval/distribution.

#### Impact

- + Reduced admin expenses
- + More efficient claim cycles
- + Improved accuracy and tracking

## Lower Costs. Stronger Margins. Resilient Operations.

Explore how SSI helps health plans reduce cost per claim and optimize financial performance.

Contact us for a free evaluation of your operations.

#### References

1. Sahni, Nikhil R., et al. "Active Steps to Reduce Administrative Spending Associated With Financial Transactions in US Health Care." *Health Affairs Scholar*, vol. 1, no. 5. (Oct. 2023)
2. Sherlock Co., "Independent / Provider-Sponsored Plans' Administrative Expenses Decelerate in 2024," *Business Wire* (July 2025)
3. National Association of Insurance Commissioners. *Health insurance industry: 2024 mid-year report* (2024)
4. U.S. Department of the Treasury, Office of Financial Research. *The Cyberattack on Change Healthcare: Lessons for Financial Stability*. OFR Brief (Nov. 2024)
5. DataSpring. "New CAQH Index Reveals \$20B Savings Opportunity to Cut Waste, Reduce Costs, and Improve Patient Access." (Feb. 2025)