



NEW RESEARCH: Insured, Working-Age Americans Face Widespread Medical Billing Errors; Coverage Denials for Doctor-Recommended Care

Patients denied care report worsening health; challenges to bills and coverage denials are often successful, but many do not know they can challenge insurance company decisions

A new Commonwealth Fund survey reveals that close to half (45%) of insured, working-age adults in the United States have received a medical bill or copayment in the past year for a service they thought should have been covered by their insurance. Nearly one in five (17%) were denied coverage by their insurer for a doctor-recommended service. Among those who reported billing errors or coverage denials, fewer than half challenged them, mostly because they weren't aware they had the right to do so.

The survey brief, *Unforeseen Health Care Bills and Coverage Denials by Health Insurers in the U.S.*, looks at how frequently insured, working-age adults are denied care by insurers, how often they are billed for services they believed were covered, and their experiences challenging such bills or care denials. For the first time, findings are broken down by public and private insurance types, race and ethnicity, and income levels.

Key findings include:

- **Challenging Coverage Denials and Medical Bills Often Works:** Half (50%) of adults who challenged coverage denials reported success in getting some or all denied services approved. Similarly, more than one-third (38%) of those who disputed medical bills saw their balances reduced or eliminated.

Success rates were even higher for people enrolled in Medicare and Medicaid. Among Medicare recipients, 61 percent had bills reduced or eliminated after challenging them, while 46 percent of Medicaid beneficiaries achieved the same result.

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The Commonwealth Fund is a private, nonprofit foundation supporting independent research on health policy reform and a high-performance health system.

- **Knowledge Divide in Rights to Appeal Billing Errors:** Among those who did not challenge their billing errors, over half (54%) said it was because they were not sure they had the right to do so. This uncertainty was most prevalent among people with low and moderate incomes, those under age 50, and Hispanic respondents. Younger individuals, particularly those ages 19–34, were most likely to be unaware of their rights, with 60 percent not knowing that they could challenge a bill. Additionally, those under 50 also were the most likely to be unsure of who to contact to address billing errors.
- **Health Consequences of Coverage Denials:** Coverage denials led to delays in care for almost 60 percent of those affected, with nearly half (47%) reporting worsened health conditions as a result.

POLICY IMPLICATIONS

The study authors note several areas where policy interventions could significantly improve consumer protections, including:

- **Enhanced Monitoring of Claim Denials:** The U.S. Department of Health and Human Services could better fulfill the requirements of the Affordable Care Act (ACA) to monitor rates of claim denials in all commercial insurance plans, including those offered through the marketplaces and individual market, as well as group plans offered by employers and insurers.
- **Stronger Accountability Measures:** Policies that penalize insurers who repeatedly wrongfully deny coverage or send erroneous bills could help mitigate the problem. Public reporting of these incidences would also foster greater accountability and incentivize insurers to limit such practices.
- **Heightened Consumer Awareness:** Enhancing state or federal consumer information systems could help increase public awareness of an individual's right to appeal insurance decisions, and establishing consumer support systems could simplify the appeals process.

The full report will be available after the embargo lifts at:

<https://www.commonwealthfund.org/publications/issue-briefs/2024/aug/unforeseen-health-care-bills-coverage-denials-by-insurers>

FROM THE EXPERTS:

Sara R. Collins, study coauthor and Commonwealth Fund Senior Scholar and Vice President for Health Care Coverage and Access

“When substantial numbers of people with health insurance are facing unexpected bills and having doctor-recommended care denied, our health care system is failing patients. And much of this failure can be attributed to the complex insurer billing practices and loopholes that fuel a lack of accountability for these billing errors and unfair coverage denials. Patients deserve better — they shouldn’t have to navigate a labyrinth to use the health insurance they and their employers are paying for, and the care their doctors are prescribing.”

Joseph R. Betancourt, M.D.,
Commonwealth Fund President

“Our findings highlight a troubling reality: even with health insurance, many Americans are struggling to navigate a complex and often opaque health care system. As a primary care doctor, this is something I and my patients live every day. Having care improperly denied and fighting to get what is needed for patients’ health and well-being is exhausting and demoralizing for patients and doctors alike. Especially as some commercial insurers are reporting record profits, we must ensure that health insurance fulfills its promise of protecting people’s health and financial well-being.”

HOW WE CONDUCTED THIS STUDY

The Commonwealth Fund Health Care Affordability Survey, 2023, was conducted by SSRS from April 18 through July 31, 2023. The survey consisted of telephone and online interviews in English and Spanish and was conducted among a random, nationally representative sample of 7,873 adults age 19 and older living in the continental United States. A combination of address-based (ABS), SSRS Opinion Panel, and prepaid cell phone samples were used to reach people. In all, 4,417 interviews were conducted online or on the phone via ABS, 2,718 were conducted online via the SSRS Opinion Panel, and 738 were conducted on prepaid cell phones.

The sample was designed to generalize to the U.S. adult population and to allow separate analyses of responses from low-income households. Statistical results were weighted in stages to compensate for sample designs and patterns of nonresponse that might bias results. The data are weighted to the U.S. adult population by sex, age, education, geographic region, family size, race/ethnicity, population density, civic engagement, and frequency of internet use, using the 2022 U.S. Census Bureau’s Current Population Survey (CPS).

The resulting weighted sample is representative of the approximately 251 million U.S. adults age 19 and older. The survey has an overall maximum margin of sampling error of +/- 1.5 percentage points at the 95 percent confidence level. As estimates get further from 50 percent, the margin of sampling error decreases. The ABS portion of the survey achieved a 15 percent response rate, the SSRS Opinion Panel portion achieved a 2.8 percent response rate, and the prepaid cell portion achieved a 2.9 percent response rate.

This brief focuses on 5,602 adults under age 65 who were insured at the time of the survey. The resulting weighted sample is representative of approximately 178.4 million U.S. adults ages 19 to 64. The survey has a maximum margin of sampling error of +/- 1.7 percentage points at the 95 percent confidence level for this age group. Analysis of billing issues was further limited to the 4,803 individuals who were insured for the entire year.

ADDITIONAL PERTINENT RESEARCH

[Paying for It: How Health Care Costs and Medical Debt Are Making Americans Sicker and Poorer](#)

[State Protections Against Medical Debt: A Look at Policies Across the U.S.](#)

[Expanding the No Surprises Act to Protect Consumers from Surprise Ambulance Bills](#)

[States Act to Strengthen Surprise Billing Protections Even After Passage of No Surprises Act](#)
