



**CONTACT: Rob McLaughlin
617-538-3529**

**Statement by Lora Pellegrini, President & CEO, Massachusetts Association of Health Plans
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“Administrative processes between health plans and providers reflect the coordination required to operate within one of the nation’s most advanced and integrated health care systems. While MAHP member plans can work with providers to support education and improve billing accuracy, claims processing is not the reason for rising premiums in Massachusetts. Over 30 state reports have identified hospital and health system prices, provider consolidation, and prescription drug costs as the key drivers of health care spending. Meaningful premium relief for employers and consumers will only come from addressing these well documented cost drivers.

In 2024, health plans processed approximately 45.9 million claim lines - the individual services listed on claims – underscoring the volume of transactions administered across the system. The vast majority were ultimately paid. When claim lines were initially returned or denied, it was primarily because they were submitted by providers with billing or coding errors, did not comply with established billing requirements, were duplicative, or included services not covered under a patient’s policy. The report shows that these claims were not rejected because medically necessary care was denied. Billing issues most often occur in high-volume settings, including hospital, outpatient, and professional services, where providers’ revenue cycle operations routinely review, correct, and resubmit claims as part of standard billing practices.

Health plans have made significant investments to reduce administrative friction by centralizing key functions through shared infrastructure, including a central X12 EDI platform for claims submission, centralized credentialing, and voluntary automation of prior authorization processes. MAHP supports targeted, data-driven efforts to reduce avoidable billing errors and improve efficiency, but administrative simplification alone will not solve the Commonwealth’s affordability challenges. In fact, weakening billing and payment controls risks increasing fraud, waste, and abuse, ultimately driving health care costs even higher. As stewards of employer’s and consumer’s health care premiums, health plans must ensure that billing is appropriate before payments are authorized. That is what employers and consumers expect.

Lasting progress on affordability requires confronting the true cost drivers in the system: provider price growth, market consolidation, and rising prescription drug costs. Until those pressures are addressed, premiums will continue to rise for employers and families across Massachusetts.”

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