2025
CAQH Index® Report

Executive Report

Foreword

Healthcare is personal to all of us. At CAQH, we work to ensure the administrative experience supports care in a clear, connected way for patients and the providers who serve them. Every step matters because it directly shapes the care journey.

For more than a decade, the CAQH Index has given the industry a trusted view of how electronic transactions advance efficiency across medical, dental, and pharmacy services, offering a benchmark for shared learning and a reminder that automation brings real value to people who rely on timely, coordinated care. This year's findings also reflect a period of recovery and renewed strength, as health plans and providers worked together to restore connections after a disruption that reached nearly every part of healthcare. Their collective resilience helped the industry avoid an estimated 258 billion dollars in administrative costs, showing what is possible when collaboration leads the way.

The 2025 Index reflects the contributions of more than 600 provider organizations across medical and dental settings, and health plans representing 63 percent of insured lives. We are grateful for their participation and for the support of America's Health Insurance Plans (AHIP), American Dental Association (ADA), American Hospital Association (AHA), American Medical Association (AMA), Health Level Seven International (HL7), National Automated Clearing House Association (Nacha), National Council for Prescription Drug Programs (NCPDP), National Dental EDI Council (NDEDIC), and the Workgroup for Electronic Data Interchange (WEDI). Their continued engagement is essential to the accuracy and value of the Index. We also thank the CAQH Index Advisory Council for its ongoing guidance and insight throughout this year's research process.

We also introduced a refreshed Index format. The Executive Report is available to everyone at no cost and provides clear, actionable insights into adoption, spend, and opportunities for improvement. To support organizations that want a deeper level of analysis, we created **Index Pro**, which includes trended metrics, detailed transaction findings, cost and time savings opportunities, and access to our research team. Subscribers can also explore an interactive site with a return-on-investment calculator and a new Ask the Index feature that makes it easier to get answers and shape strategy.

As technologies evolve, from FHIR-based exchange to AI tools, the Index provides a clear view of how innovation influences the administrative experience. With a shared commitment to efficient systems, we can help ensure that patients and providers feel the benefit.

On behalf of CAQH, I invite you to explore this year's findings and join us in advancing a healthcare system that feels more connected and intuitive for all.

Sarah Ahmad
CEO
CAQH

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Overview

For more than 20 years, the healthcare industry has worked to simplify and automate administrative processes, reducing burden, improving efficiency, and keeping care delivery at the center. While challenges such as rising costs, cyber threats, and complex regulations continue to test progress[1,2], the industry has steadily advanced toward a more connected, data-driven system.

That progress faced a new test in 2024. In February, Change Healthcare experienced a major ransomware attack that affected approximately 193 million individuals, making it the largest healthcare data breach in U.S. history.[3,4] When the Change Healthcare cyberattack[5,6] disrupted clearinghouse and automated payment systems across the country, the industry didn't stall, it adapted. Payers and providers quickly rerouted transactions and adjusted workflows, relying, in some cases, more on portals and manual processes while restoring automated connections.[7,8,9] During outages, staff manually submitted claims[10] and exchanged supporting documents for prior authorizations, appeals, or payment requests[11], adding strain to workflows that were already largely manual. The industry shifted transaction traffic to other clearinghouses, and once electronic exchanges were reinstated, health plans often managed payment backlogs through bundled or advance payments and phased processing.[12,13,14]

By year-end, the data told a story of recovery and momentum. As systems were re-established or newly connected, electronic administrative workflows were restored and manual processes declined or held steady. Despite the disruption, the **industry avoided $258 billion in administrative costs, a 17 percent increase** from the previous year, driven by lower electronic costs, expanded automation, and fewer manual transactions. Looking ahead, an additional $21 billion in potential savings remains within reach through further automation.

Interoperability is no longer the goal - it's the groundwork for what comes next. Adoption of HL7® FHIR-based exchange is accelerating, but progress remains largely compliance-driven: 57 percent of medical plans and all dental plans indicated that their primary motivation for current interoperability developments is to meet Centers for Medicare & Medicaid Services (CMS)[15,16] or Office of the National Coordinator for Health Information Technology (ONC)[17] guidelines. Most medical plans (63 percent) are still developing their electronic prior authorization (ePA) FHIR APIs ahead of January 2026 requirements, while only 20 percent of providers have begun implementation.* To move from compliance to true interoperability, the industry must align regulatory efforts with vendor readiness, provider engagement, and proof of ROI. This alignment turns automation into action.

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* Data represents findings from a FHIR pilot survey and supplemental Index questions. Additional insights will be released as part of Index Pro in Q2 2026.
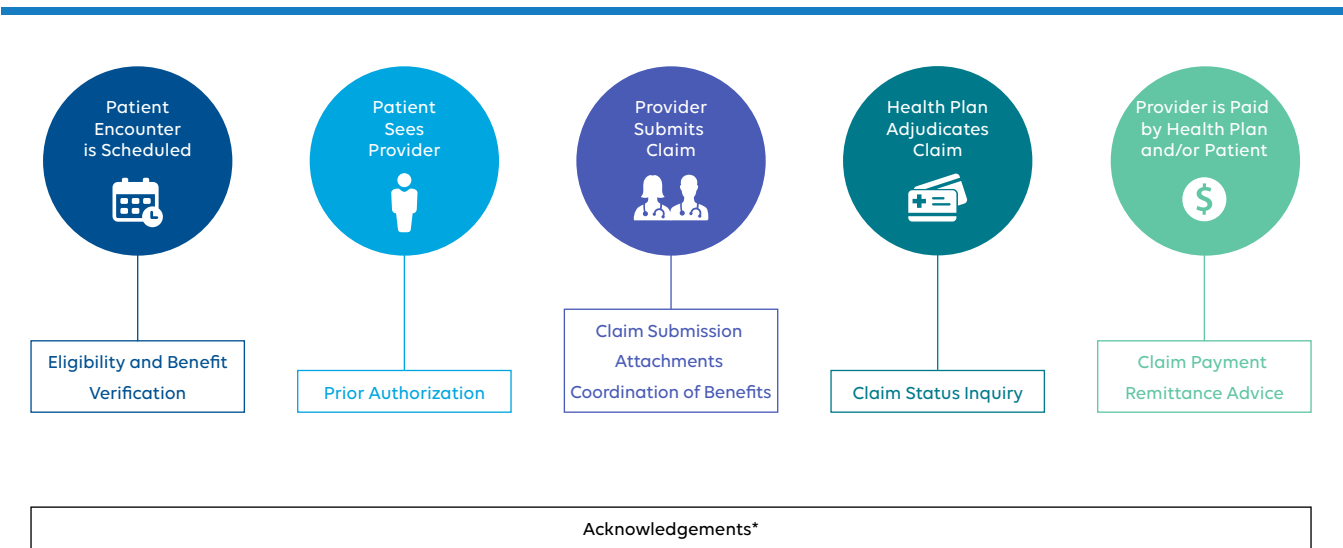
The Administrative Workflow

When patients visit a healthcare provider, their journey involves a series of administrative tasks that start with scheduling the appointment and end with payment for the care they receive. These tasks are essential to ensuring care is delivered, but they can also be time-consuming and costly.

The CAQH Index collects detailed information from both providers and health plans on how these administrative tasks are completed. It tracks the methods used, whether fully electronic, partially electronic, or manually, along with the number of transactions processed (volume) and the cost and time required to complete.

By analyzing this data, the CAQH Index highlights inefficiencies in the administrative workflow and identifies opportunities to reduce the time and cost involved. These improvements not only benefit providers by freeing up resources but also ensure patients experience fewer delays in accessing care.

As new technologies automate routine tasks, improve data sharing, and reduce manual work, the CAQH Index is evolving to measure their implementation and impact. By tracking how tools such as AI, FHIR APIs, and ePA are being adopted and used, the Index is becoming a forward-looking benchmark for the modernization of healthcare administration.

The Administrative Workflow

Patient Encounter is Scheduled	Patient Sees Provider	Provider Submits Claim	Health Plan Adjudicates Claim	Provider is Paid by Health Plan and/or Patient
Eligibility and Benefit Verification	Prior Authorization	Claim Submission / Attachments / Coordination of Benefits	Claim Status Inquiry	Claim Payment / Remittance Advice

Acknowledgements*

* The reporting of Acknowledgements has been retired after achieving consistent 100% electronic adoption. Data is included in total volume for trend analyses.

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.

Key Findings

Adoption

Medical adoption improved or remained stable for all transactions, except for Attachments and Remittance Advice. **Dental** adoption slowed or fell across all transactions except Claim Payment. As organizations worked to recover from the Change Healthcare cyberattack, many prioritized system stability over new automation efforts, temporarily slowing progress but underscoring the resilience of existing electronic infrastructure.
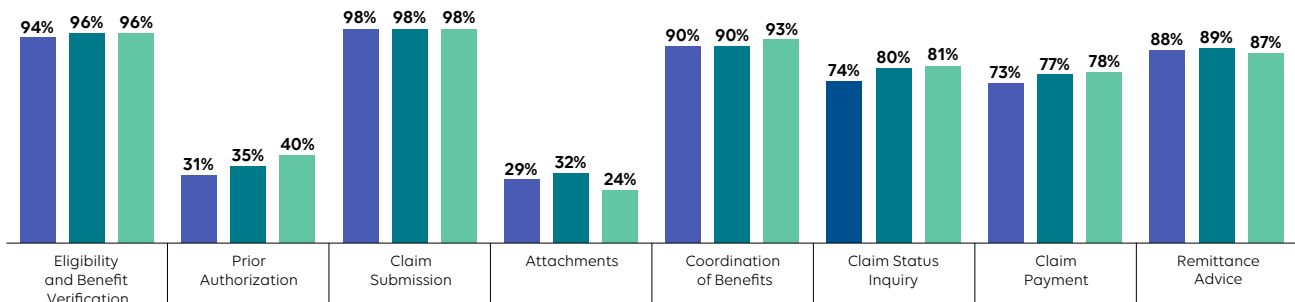
Remained stable

Following a gain the previous year, **average adoption** across both industries held steady.

Why This Matters: Stable adoption protected providers and patients from deeper disruption during the cyberattack, limiting payment delays and care interruptions. But the slowdown in new automation signals risk. Without continued progress, providers remain exposed to manual work during crises, and patients face billing confusion. The industry's next challenge is strengthening resilience while continuing to reduce administrative burden.

Medical Plan Adoption of Fully Electronic Administrative Transactions, 2023-2025 CAQH Index
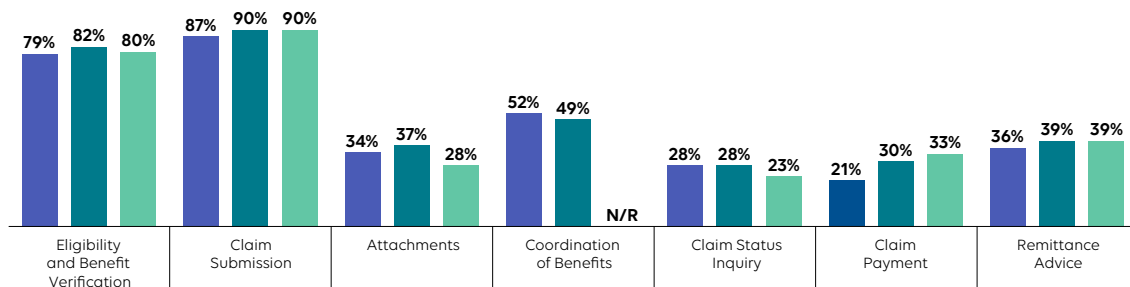
MEDICAL PLAN ADOPTION

2023 2024 2025

Transaction	2023	2024	2025
Eligibility and Benefit Verification	94%	96%	96%
Prior Authorization	31%	35%	40%
Claim Submission	98%	98%	98%
Attachments	29%	32%	24%
Coordination of Benefits	90%	90%	93%
Claim Status Inquiry	74%	80%	81%
Claim Payment	73%	77%	78%
Remittance Advice	88%	89%	87%

Dental Plan Adoption of Fully Electronic Administrative Transactions, 2023-2025 CAQH Index

DENTAL PLAN ADOPTION

2023 2024 2025

Transaction	2023	2024	2025
Eligibility and Benefit Verification	79%	82%	80%
Claim Submission	87%	90%	90%
Attachments	34%	37%	28%
Coordination of Benefits	52%	49%	N/R
Claim Status Inquiry	28%	28%	23%
Claim Payment	21%	30%	33%
Remittance Advice	36%	39%	39%

N/R=Not Reported; No COB dental benchmark reported for 2025 due to low sample size.

Volume

Growth remained positive but moderate compared to prior years, reflecting the operational challenges and recovery efforts that followed the cyberattack. In some cases, organizations relied on temporary manual or hybrid processes while restoring automated connections.
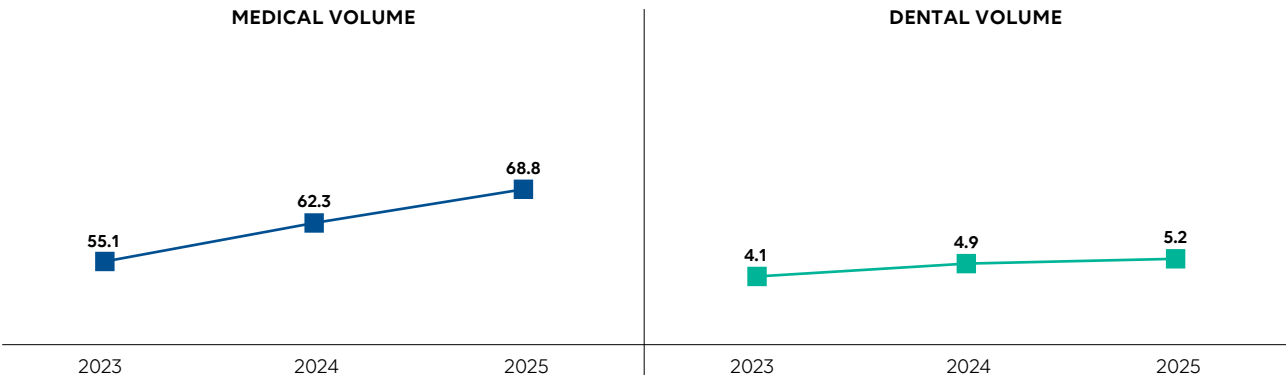
+10%
overall **increase** in **medical** transaction volume.

+6%
overall **increase** in **dental** transaction volume.

Why This Matters: Moderate transaction growth signals that providers kept care and payments moving, even while relying on manual workarounds. Those stopgap processes come at a cost. They increase administrative burden, slow reimbursement, and raise the risk of errors that ultimately affect patients. Sustained volume growth depends on restoring and modernizing automation so the system can scale without sacrificing access, accuracy, or trust.

**Medical and Dental Industry Estimated National Volume
2023-2025 CAQH Index (in billions)**

MEDICAL VOLUME	DENTAL VOLUME

55.1	62.3	68.8	4.1	4.9	5.2
2023	2024	2025	2023	2024	2025

May not be drawn to scale.

Administrative Spend

Administrative spending declined across **both** industries despite the year's disruptions, signaling improved efficiency and cost management.
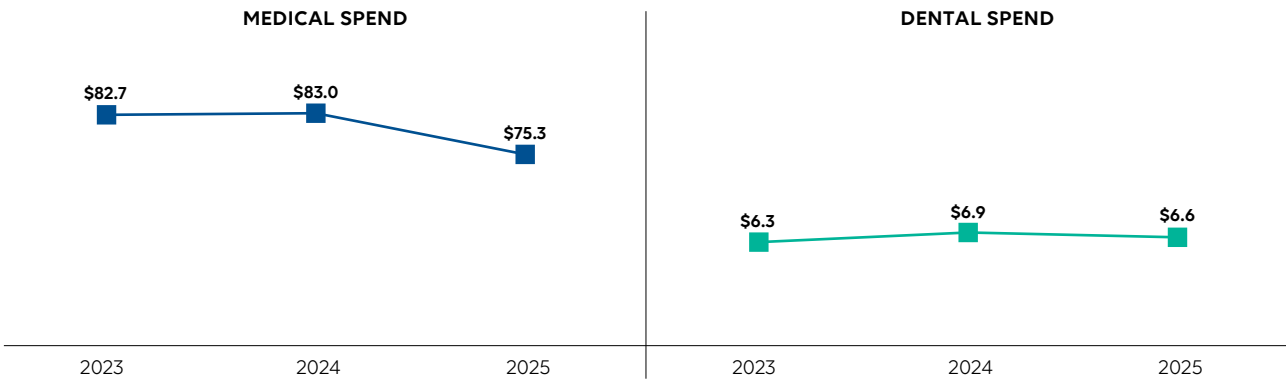
Higher electronic volumes and lower per-transaction costs helped offset the temporary manual workarounds required during recovery, demonstrating the value and durability of automated processes.

-9% to
$75B
Medical spending **decreased.**

-4% to
$6.6B
Dental spending **decreased.**

Why This Matters: Lower administrative spend means fewer resources diverted from patient care and less financial strain on providers. Even during disruption, automation helped control costs and limit the impact of manual workarounds. For patients, this translates to fewer billing errors and a more predictable experience. The takeaway is clear: sustained investment in automation protects both affordability and access when the system is under stress.

Medical and Dental Industry Estimated National Spend
2023-2025 CAQH Index (in billions)

MEDICAL SPEND

$82.7 $83.0
                    $75.3

2023   2024   2025

DENTAL SPEND

$6.3 $6.9 $6.6

2023   2024   2025

May not be drawn to scale.
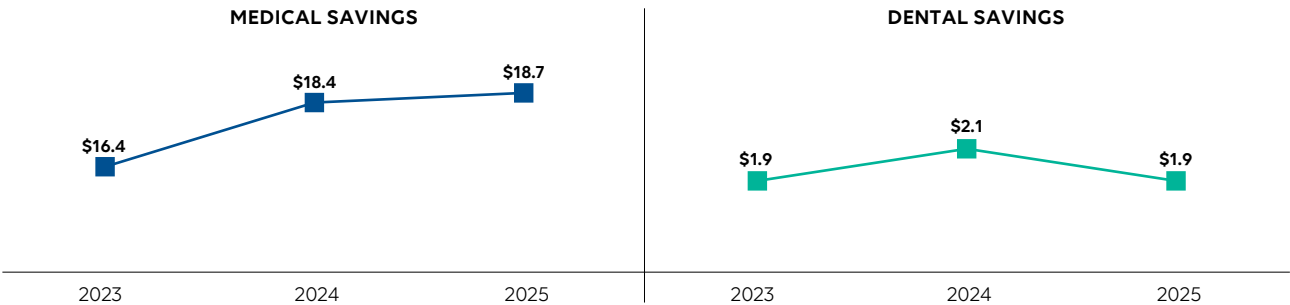
Cost Savings Opportunities

Opportunities for further cost savings shifted modestly across industries. In the **medical** industry, potential savings rose slightly due to increased costs and volumes for certain manual processes, such as submitting a claim impacted by the cyberattack. In **dental**, lower transaction costs across modes reduced the overall savings opportunity.

+2% to
$18.7B
Medical industry
cost savings opportunity
increased slightly.

-8% to
$1.9B
Dental industry
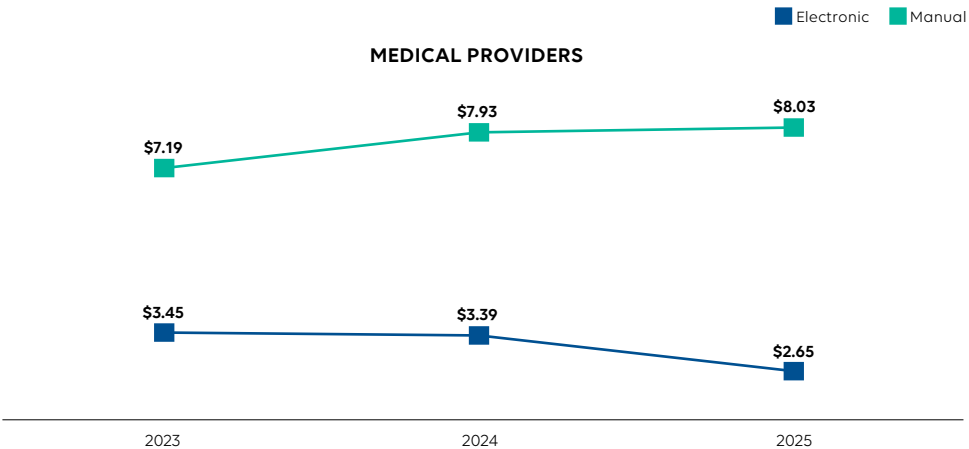cost savings opportunity
decreased.

Why This Matters: Stable savings opportunities signal that automation is already reducing costs for providers and limiting disruption for patients. Even when systems went down, existing electronic workflows prevented a surge in manual work and expense. The real opportunity now is not just finding new savings, but protecting the efficiencies that keep care affordable and billing manageable when disruptions occur.

Medical and Dental Industry Estimated National Cost Savings Opportunity
2023-2025 CAQH Index (in billions)

MEDICAL SAVINGS

$16.4 (2023)
$18.4 (2024)
$18.7 (2025)

DENTAL SAVINGS

$1.9 (2023)
$2.1 (2024)
$1.9 (2025)

2023   2024   2025   2023   2024   2025

May not be drawn to scale.

Medical Provider Average Cost per Transaction for Electronic and Manual Transactions
2023-2025 CAQH Index

■ Electronic   ■ Manual

MEDICAL PROVIDERS

$7.19 (2023)
$7.93 (2024)
$8.03 (2025)

$3.45 (2023)
$3.39 (2024)
$2.65 (2025)

2023   2024   2025

Industry Call to Action: From Insight to Impact

The 2025 CAQH Index reflects a year of recovery and resilience. The 2024 Change Healthcare cyberattack[18] tested the systems that keep healthcare running, and the industry adapted. Providers and payers rerouted transactions and restored automated connections, avoiding $258 billion in administrative costs, **a 17 percent increase** from the previous year.

That recovery demonstrates what's possible when the industry works together, turning disruption into progress toward greater automation, stronger data security, and better care for patients.

Now is the time to build on that momentum. By applying the lessons learned, we can accelerate automation, advance interoperability, and strengthen the systems that connect us all.

What the Industry Can Do:

- **Strengthen Cybersecurity**
  Protecting healthcare data and systems is essential to keeping care uninterrupted. The Change Healthcare cyberattack showed how one incident can ripple across the industry, halting electronic workflows. In response, two-thirds of medical and dental plans and over one-third of providers enhanced or increased security protocols to reduce risk.[19]

  The need to strengthen redundancy and backup mechanisms was emphasized.[21,21] By maintaining alternate systems and secure copies of information, organizations can recover more quickly and continue delivering reliable care even when primary systems are compromised. Ongoing investment and coordination will help safeguard patients and ensure the healthcare system remains resilient and dependable.

- **Advance Interoperability and Demonstrate Value**
  Compliance is just the starting point. As the industry transitions to FHIR-based data exchange, real progress means aligning workflows and priorities across providers, payers, and vendors. Nearly one-third of medical plans cited legacy systems and inconsistent standards as top barriers, while all dental plans pointed to resource limitations.* Addressing these challenges will unlock more automation and make data more actionable.

  Demonstrating value is just as important. Over two-thirds of medical and dental plans identified peer benchmarks and return on investment (ROI) data as critical for guiding priorities and evaluating impact in 2025.* Clear evidence of ROI helps organizations focus on solutions that deliver measurable benefits, driving adoption even under budget constraints.

- **Leverage Artificial Intelligence (AI)**
  AI is moving from concept to everyday practice. More than half of plans and one-quarter of providers now use AI, with provider use focused on administrative tasks such as eligibility checks, note-taking, and patient communications. Dental providers are also increasingly using AI for clinical tasks, including interpreting X-rays and lab results. As confidence in AI tools grow, these technologies will further reduce manual work, streamline operations, and allow staff to focus more on patient care.

* Data represents findings from supplemental Index questions. Additional insights will be released as part of Index Pro in Q2 2026.

By continuing to collaborate, the industry can build a healthcare system that's more connected, data-driven, and efficient. Together, we can use technology to strengthen care and create lasting progress.

Turn Insight into ROI with Index Pro

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Acknowledgements

CAQH extends its appreciation to the following organizations and individuals for their contributions to the 2025 CAQH Index:

- Medical and dental plans and providers that submitted data and participated in follow-up interviews.
- NORC at the University of Chicago for data collection and analytics.
- CAQH Index Advisory Council for their ongoing guidance and support of the CAQH Index research.

2025 CAQH Index Advisory Council Roster

2025 CAQH Index Advisory Council Member	Organization
Amy King	Blue Cross Blue Shield of Michigan (BCBSM)
Amy Neves	Aetna
Brad Smith	Nacha
Cat Douglas	Florida Blue
Cathy Sheppard	X12
Erin O'Rourke	Advancing Health Insurance Providers' Strategic Priorities (AHIP)
Geanelle Herring	Centers for Medicare & Medicaid Services (CMS)
Heath Hanwick	Epic
Heather McComas	American Medical Association (AMA)
Jay Eisenstock	JE Consulting
Mahesh Siddanati	Centene
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Robert Tennant	Workgroup for Electronic Data Interchange (WEDI)
Sofia Fayazdeen	UnitedHealthcare (UHC)
Stanley Nachimson	Nachimson Advisors
Suzanne Lestina	University of Chicago Medical Center (UChicago Medicine)
Tab Harris	Florida Blue
Terrence Cunningham	American Hospital Association (AHA)
Tom Mort	Vyne Dental
Viet Nguyen	Health Level Seven International (HL7 International)
Wicky Aiyalu	Centers for Medicare & Medicaid Services (CMS)

Endnotes

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8. Change Healthcare Cyberattack Underscores Urgent Need to Strengthen Cyber Preparedness for Individual Health Care Organizations and as a Field | AHA.

9. HHS Letter and Appendix to Health care Providers — Change Healthcare Cyberattack | AMA.

10. Ibid.

11. ADA continues response to Change Healthcare cyberattack | ADA.

12. Change Healthcare/Optum Payment Disruption (CHOPD) Accelerated Payments to Part A Providers and Advance Payments to Part B Suppliers | CMS.

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Industry Call to Action: From Insight to Impact

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CAQH Insights

CAQH Insights helps the industry simplify operations and measure the impact of automation through research, collaboration, and data-driven guidance.

Partner with Us

CAQH works with providers, health plans, vendors, and other healthcare leaders to advance automation and accelerate efficiency. If your organization is interested in participating in the CAQH Index, exploring advisory services, or partnering on future research, contact **insights@caqh.org**.

Participate in the 2026 CAQH Index

Data collection for the next edition begins Summer 2026. Join us in shaping a more connected, efficient, and sustainable healthcare system.

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