WEBILL HEALTH · WHITE PAPER · 2026 EDITION

2026 Claim Denial Benchmarks

The latest national denial data, what a physician practice benchmark looks like, and how to measure your own rate so the comparison means something.

For practice owners and administrators

Independent and specialty practices

WeBill Health

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ABOUT THIS PAPER

Payers deny less at the front door and take back more later

This paper pulls together the most recent national data, separates hospital numbers from physician practice numbers, and shows you how to calculate your own denial rate the way benchmarks do.

Every figure comes from a third party study and is attributed to its source. These figures describe the industry, not WeBill Health results. Several of the largest datasets are hospital data, and we label them as such.

The short version

- Across more than 2,100 hospitals and 300,000 physicians, the average initial denial rate was 11.81% in 2024 (Kodiak Solutions).
- In the first half of 2026 that rate eased to 10.63%. Payer takebacks after payment rose to 1.57% of net revenue. Denials are moving from the front door to the back office.
- For physician practices, MGMA puts the typical first submission denial rate at 7% to 8%. Well run practices get under 5%.
- The share of providers reporting denial rates of 10% or more rose from 30% in 2022 to 38% in 2024 and 41% in 2025 (Experian Health).
- Most denials start with data the practice controls. Missing or inaccurate data (50%), authorizations (35%) and registration errors (32%) led Experian's 2025 list.

PART ONE

The national picture

The largest current dataset comes from Kodiak Solutions, which tracks claims from more than 2,100 hospitals and 300,000 physicians. Its 2024 average initial denial rate was 11.81%. Kodiak also reports that payers ultimately pay about 90% of claims. Most denied money is recoverable if someone chases it.

The first half of 2026 looks better on the surface. The overall rate fell to 10.63% from 12.00% a year earlier, and traditional Medicare fell to 4.21%. The catch is takebacks. Money recouped after a claim was paid rose to 1.57% of net revenue, up from 1.38%. A lower denial rate can mean payers pay first and recover later.

PAYER SEGMENT	INITIAL DENIAL RATE	SOURCE
All payers, 2024	11.81%	Kodiak Solutions, May 2025
All payers, first half 2026	10.63%	Kodiak Solutions, September 2026
Traditional Medicare, first half 2026	4.21%	Kodiak Solutions, September 2026
ACA marketplace plans, in network, 2024	19% (3% to 36% by insurer)	KFF, March 2026
Medicare Advantage, first submission (2019 claims)	17.7%	Health Affairs, June 2025

> Much published denial data comes from hospitals, where inpatient authorization and medical necessity dominate. Physician and behavioral health practices see a different mix, weighted toward eligibility, coding and modifier errors. Compare yourself to a practice benchmark.

PART TWO

The benchmark for a physician practice

MGMA's July 2026 data puts the typical first submission denial rate for medical practices at 7% to 8%. That figure has held for four years, and practices can reach under 5%. The KPI framework MGMA published with Conifer in 2023 uses the same targets.

KPI	INDUSTRY BENCHMARK	YOUR NUMBER
Initial denial rate	5% to 10% typical, under 5% best practice	
Clean claim rate	98%	
Days in accounts receivable	30 to 40	
A/R older than 90 days	Under 10%	
Net collection rate	95% minimum, 97% to 99% optimal	

The trend is not reassuring. Experian Health found the share of providers with denial rates of 10% or higher rose from 30% in 2022 to 41% in 2025. MGMA's July 2026 poll found days in A/R flat for 43% of practices and higher for 32%. Another 48% of practice leaders named denials and appeals their largest source of revenue leakage.

PART THREE

Why claims get denied

Experian's 2025 survey asked providers which causes drive their denials. The top three were all front end problems.

TOP DENIAL CAUSES, 2025	SHARE OF PROVIDERS CITING
Missing or inaccurate data	50%
Authorizations	35%
Registration data	32%

The same survey found 54% of providers saying claim errors are increasing, and 68% saying clean claims are harder to submit than a year ago. Older Change Healthcare data (2020) found 86% of denials were potentially avoidable. Most denied dollars come from a small number of preventable, repeating causes.

PART FOUR

What a denial actually costs

MEASURE	FIGURE	SOURCE
Cost to rework a denied claim	$25.20 per claim	Change Healthcare, cited by MGMA
Hospital cost to contest a denial, 2023	$57.23 per claim, up from $43.84	Premier
Medicare Advantage denied claims resubmitted	About 60%	Health Affairs, 2025
Hospital denials eventually overturned and paid	About 70%	Premier

Every rework costs staff time. Every claim that falls through the cracks is revenue already earned and never collected. Reworking denials one at a time loses on both counts.

PART FIVE

Prior authorization and Medicare Advantage

KFF's analysis of 2024 Medicare Advantage data found 52.8 million prior authorization determinations, with 7.7% fully or partially denied. Only 11.5% of those denials were appealed, and 80.7% of appeals were overturned. That overturn rate stayed above 80% every year from 2019 to 2024. Most challenged MA authorization denials do not hold up, and most are never challenged.

The AMA's 2025 physician survey, released in May 2026, found physicians complete about 40 prior authorizations a week, taking 13 hours of physician and staff time. 40% of practices have staff who work only on prior authorization. 74% of physicians say authorization denials have increased.

PART SIX

What changed in 2026

- Since January 1, 2026, Medicare Advantage, Medicaid and marketplace plans covered by CMS 0057 F must decide standard prior authorization requests within 7 calendar days and expedited requests within 72 hours, with a specific reason for every denial. Prior authorization APIs are due January 1, 2027. Employer commercial plans are not covered.
- CMS's WISeR model started January 1, 2026 in Arizona, New Jersey, Ohio, Oklahoma, Texas and Washington. It adds technology assisted prior authorization to traditional Medicare for a short list of services, including skin substitutes, certain orthopedic pain procedures and nerve stimulators. Behavioral health services are not on the list.
- Takebacks are the new pressure point. With payers recouping money after payment, a clean remittance is no longer the end of the story.

PART SEVEN

How to measure your own denial rate

Benchmarks only help if you measure the same thing. Use these definitions.

- [ ] Initial denial rate: claims denied on first adjudication, divided by claims adjudicated in the same period. Count by claim, and separately by dollars.
- [ ] Exclude clearinghouse rejections from denials and track them separately. They never reached the payer.
- [ ] Exclude contractual adjustments (CARC 45). They are the payer paying its contracted rate, not a denial.
- [ ] Split the rate by payer, by CPT family and by denial reason code (CARC). A single blended number hides the patterns you can fix.
- [ ] Track takebacks and recoupments as their own line. A falling denial rate with rising takebacks is not an improvement.
- [ ] Measure what happens after the denial: share reworked, share paid on appeal, and days from denial to payment.

Your benchmark worksheet

MEASURE, LAST 90 DAYS	YOUR NUMBER	BENCHMARK
Initial denial rate by claim		Under 5% best practice
Initial denial rate by dollars		Track the trend
Clearinghouse rejection rate		Track separately
Takebacks as a share of net revenue		1.57% national, first half 2026
Share of denials reworked		All with a fix
Days from denial to payment		Track the trend

HOW WEBILL HEALTH WORKS

Where WeBill Health fits

WeBill Health works denials at the root cause, never one claim at a time. We maintain internal payer rule libraries organized by specialty and by carrier across more than 500 payer rulesets.

Every claim receives human pre submission review against those libraries before it goes out. Our fee is a share of what we collect, so a denied claim costs us too. If you want to know where your own rate sits, a Revenue Defense Audit shows you by payer, code and reason.

98%
clean claim rate

48 hr
claim submission guarantee

40%
A/R reduction within 90 days

500+
payer rulesets in the internal libraries

See where your own revenue is leaking

A Revenue Defense Audit reviews your claims and accounts receivable and shows you, in writing, what is recoverable, what is at risk and what to fix first. You get the findings whether or not you ever become a client.

Get my Revenue Defense Audit →

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Where every number comes from

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Third party figures are quoted as published and are not WeBill Health performance claims. WeBill Health metrics appear only on the page before this one. This paper is general information for practice management.

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