

<http://www.healthcarepayernews.com/content/1-5-initial-insurance-applications-declined-study-finds>

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1 in 5 initial insurance applications declined, study finds

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Ahead of guaranteed issue regulations taking effect in 2014, a new [study](#) has found that about 20 percent of individual insurance applications are rejected nationwide.

Researchers with the relatively new consumer website HealthPocket.com studied about 9,000 health plans across the country, determining average declination rate of insurance applications compared to the declination rates of individual insurers.

Montana had the highest rate of rejection at 45 percent, according to the study, followed by Alabama (40 percent) and Washington D.C. (37 percent). Maine, Massachusetts, New Jersey, New York and Vermont already require guaranteed issue.

Insurance rejections are coming to end, as part of new sets of rules on risk assessment and price variation, and the national rejection rate for first time applicants has ebbed and flowed over the past few years.

A 2011 Kaiser Health News [study](#) found declination rates above 20 percent. In 2010, a study commissioned by the House energy and commerce committee found that the four largest for-profit health insurers had an average national rejection rate of about 14 percent.

The rejections, like prices, vary a good deal across states and health plans. For instance, Kaiser Permanente had a 34% declination rate in Georgia and 22% declination rate in Hawaii, according to HealthPocket.com's study.

[HealthPocket.com](#) was founded in November 2012 by Bruce Telkamp and Sheldon Wang, two former eHealth, the parent company of the health insurance exchange eHealthInsurance.com. The website, supported by advertising, is aiming to be an objective information service, letting consumers search for individual, family, Medicare, Medicaid and subsidized plans available in their area.

As the healthcare industry adopts new distribution channels in line with retail and online shopping trends (and as many Americans pay more for healthcare and insurance), websites like HealthPocket and [Save On Medical](#) are cropping up and aiming to help consumers navigate their finances and, in turn, their healthcare.