# Medicare Advantage Denials: the **151× shock** hiding in plain sight

**TL;DR** Half of America sees about four denials per beneficiary each year, yet a few states rack up more than forty. Pair that with higher hospital prices and you get the fastest, cleanest ROI lever in US health‑care operations.

### 1 ▸ National snapshot

| Metric | 2023‑25 CMS value |
| --- | --- |
| **Median** denials per MA enrollee | **3.74** |
| **Mean** denials per MA enrollee | **21.36** |

A handful of outlier states push the mean more than five times higher than the midpoint.

### 2 ▸ The Denial Divide

| Highest denials (per enrollee) |  | Lowest denials |  |
| --- | --- | --- | --- |
| **Texas** | **42.44** | **Oregon** | **0.28** |
| Alaska | 32.42 | Hawaii | 0.29 |
| Illinois | 24.35 | West Virginia | 0.82 |
| South Carolina | 15.36 | Michigan | 1.21 |
| North Carolina | 14.96 | Ohio | 1.39 |

**Key facts**

* A Texan MA member faces **151 ×** more denials than an Oregonian.
* Four of the five worst performers cluster in a South‑Midwest corridor (one focused go‑to‑market region).
* Low rates are attainable even in large populations: Ohio stays near 1.4 denials per enrollee.

### 3 ▸ Spending spread

| Episode cost gap vs US average\* |  |  |
| --- | --- | --- |
| Highest: Texas | **+7.8 %** | Lowest: Oregon |

*A $26.5 k average inpatient stay becomes $28.6 k in Texas and $24.2 k in Oregon, a $4.4 k swing.*

### 4 ▸ Why act now

* **Process defect, not destiny.** Large states prove airtight documentation and edits keep denials low.
* **Margin boost.** Cutting denials and normalizing episode cost can release up to **eight percentage points** of operating margin.
* **Proven tools.** AI‑driven revenue‑cycle platforms already prevent more than 90 percent of avoidable denials in top‑quartile hospitals.

**Bottom line**

Forty denials or four. What happens when every health system equips its revenue cycle to close that gap?

*Sources: CMS Medicare Advantage Denials Public‑Use Files 2023‑25; CMS Hospital Spending per Episode Public‑Use Files 2023‑25.*