

## **A Crisis of Overconfidence: Why Payers Overestimate Their Provider Data Integrity (and How to Fix It)**

The healthcare industry is full of surprises, and this year, the ProviderTrust team encountered a big one. In March 2025, ProviderTrust partnered with *Healthcare Dive* to survey 150 executives at enterprise-level payer organizations about their provider data processes. As the survey results came in, the original goal—to gain a better sense of payers’ main challenges and processes—quickly fell by the wayside.

Instead of highlighting key obstacles and trends, the [survey results](#) uncovered an uncomfortable truth: most payers don’t seem to know they have a provider data problem. Survey respondents overwhelmingly described their provider data as “clean, complete, and accurate,” with very little room for improvement.

Yet at ProviderTrust, we see cracks in the foundation of these payers’ provider data daily. So, instead of simply reporting the survey results, we’ve broken down how these responses don’t match up to our boots-on-the-ground experience working with provider data at a range of enterprise payers nationwide.

### **Data Integrity: Fact or Fiction?**

As a whole, our survey respondents think very highly of their provider data integrity. Respondents almost universally agreed that the terms “accurate and error-free” (94%) and “complete (no missing information)” (96%) describe provider data at their organization.

Despite these quite positive answers, only 51% of respondents answered that the phrase “verified against the primary source” described their provider data very well. If half of payers’ provider data isn’t consistently verified against the primary source, how accurate and complete can it be?

This wide gap between payers’ perceptions of their provider data and reality is alarming but not shocking to the ProviderTrust team. We’ve uncovered every kind of error, including providers with NPIs that were [supposedly born in 2024 and the 1800s](#).

This kind of hidden provider data error has all kinds of downstream effects, both for patient safety and for the organization’s bottom line. For another major payer client, we discovered that 2% of their participating provider population had licensure issues that made them ineligible to provide care. That small fraction of their population added up to **\$15 million in claims that this payer couldn’t recoup** due to provider ineligibility.

### **Moving Beyond Basic Automation**

The quality (or lack thereof) of most automated provider data solutions contributes greatly to poor data integrity. Rather than moving the same static data pieces from A to B, an effective automated provider data solution should include methods of regularly cleansing and verifying data to ensure freshness.

Though 75% of survey respondents answered that their provider data solutions are automated, many of the market's automation tools lack depth. There's no standardized provider data framework across the industry, so these solutions piece together disparate fields, shorthands, requirements, and many more variations across primary sources. Basic automation does very little to improve these inconsistencies, so they typically remain in each payer's dataset for the long haul.

At ProviderTrust, we see the pitfalls of basic automation all the time. We recently performed a proof of concept exercise for a potential client with more than 15 million members and 700,000 participating providers. We found that **9% of this payer's active participating providers had at least one license issue**, including licenses that had been revoked, surrendered, carried board actions, and more.

This payer had another "leading" automated provider data solution in place, yet they had no idea these errors were hidden in their data. This not only puts members at risk but also poses great risk to the payer organization and costs many millions in claims that can't be recouped.

### **Throwing Out the Status Quo**

To solve the provider data problem, payers will need to completely rework their approach to provider data. There's no quick fix, but it's possible to make changes over time that will make a world of difference.

Unfortunately, the pull of maintaining the status quo is strong. When we asked our survey respondents what could drive their organization to focus more on improving provider data integrity, the clear winner was "easier access to better automated technologies." The ease of access factor outweighed "changes in compliance/regulation" by 10% and "decreasing provider friction" by 15%, too.

We can't stop working toward a better future just because implementing a new tech tool is difficult. Even regulatory standards can only go so far if payers remain unaware of the issues within their provider data. Payers need to understand the root of the problem and make it a top priority to overhaul the systems that are currently holding them back.

It's time to start building a healthcare ecosystem where clean, accurate, up-to-date provider data is a true priority. When you're ready to begin, [ProviderTrust is here](#).