HMO and Health Insurance Tips for New York State Consumers

2004 Lisa A. Lundy, Health Care Consumer Advocate

Executive Summary

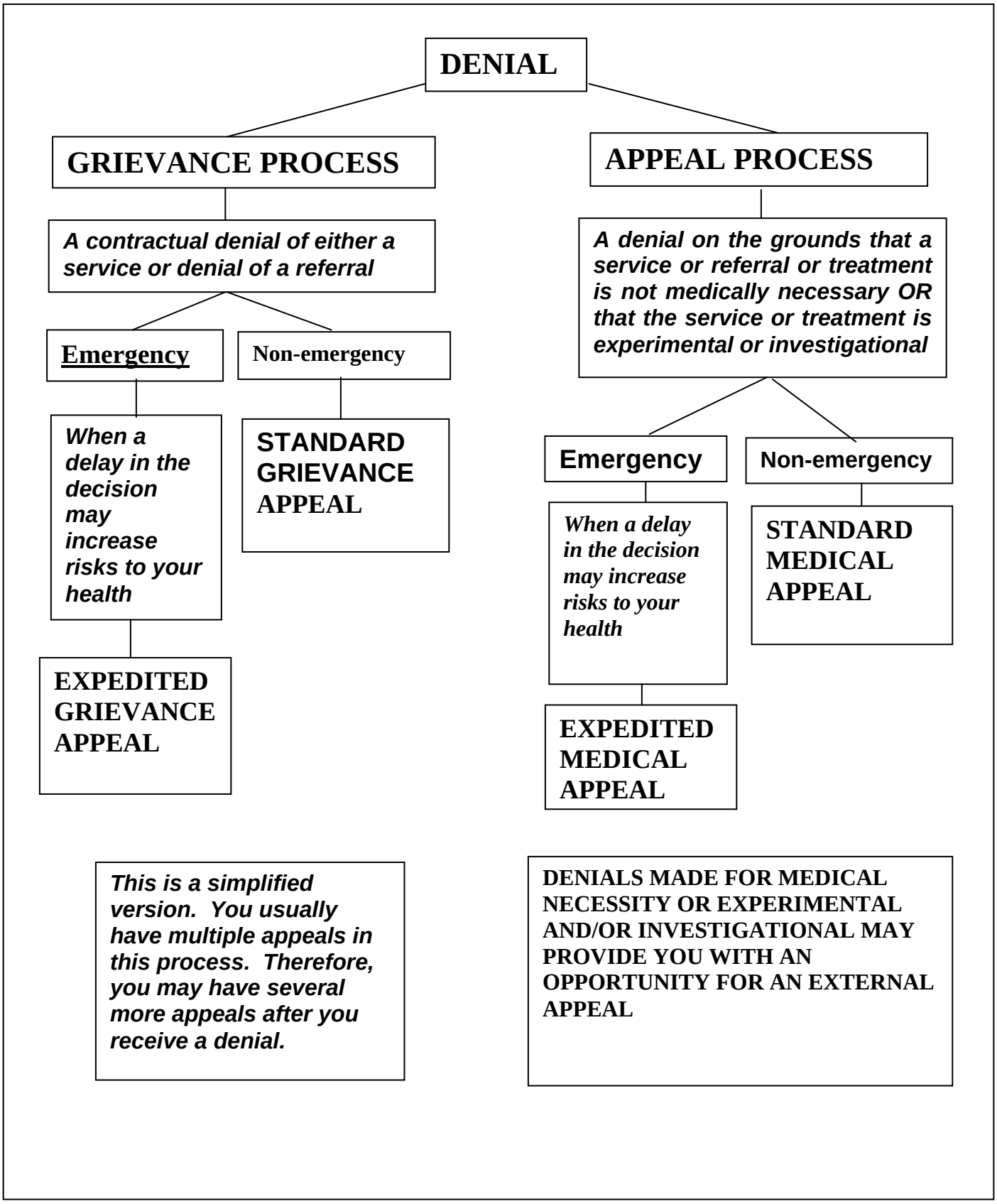
Health Maintenance Organizations (HMO's) and Health Insurance Plans are a complex and confusing to say the least. This quide is a ***over simplified*** document designed to help consumers get the most out of their health insurance regardless of the plan. New York State Residents can order an excellent State booklet on insurance free of charge. The booklet is called **New York Consumer Guide to Health Insurers 2004**. You can call the New York State Insurance Department, 1-800-342-3736 or log onto their web site at www.ins.state.ny.us and request this excellent resource.

The HMO's and Health Insurance Companies are banking that you as a consumer are not going to fight a denial. According to a May 2003 Reader's Digest Article titled "You Can Make them Pay" by Peter Landers and Amy Dockser Marcus (a reprint from the Wall Street Journal) consumers who appeal health insurance denials won on average 48% of the time. What that means to you, a consumer, is that it is very worth your time to fight for your health insurance coverage. In addition, most consumers are not aware that they can file a complaint with the New York State Department of Health, the New York State Insurance Department, and the New York State Attorney General's office relative to health care matters. The last section of this guide is designed to provide some tips on filing complaints to these agencies.

Health insurance plans vary greatly. This guide is only that, a general guide on how to get through the system, and how to file complaints if necessary. If you have specific questions about your plan consult your contract or member guide. You can also call your health insurance company, and the other agencies listed in the back of this guide. Make sure that you order the **New York Consumer Guide to Health Insurers 2004**.

Most importantly, you need to file written grievances and/or appeals when you are denied coverage for medically necessary services. Filing written complaints with the New York State agencies will also help to correct this problem. The health insurance companies are hoping that they will wear you out, and that you will get tired of fighting for your rights! Don't let them win. There is help if you need it.

Getting Health Insurance Coverage – The Appeal Process



What You Need To Know TO Fight Your HMO
Or other Managed Care Plan (POS & PPO)

Guidelines and Suggestions

1. Put it in Writing

When you have a dispute with your HMO, it is much better and very highly recommended that you put your dispute in writing. You should submit a letter to your HMO requesting either a GRIEVANCE or an APPEAL on your situation.

Grievances: relate to a contractual denial of either a referral or a service.
Appeals: relate to denials that are denied on the basis or medical necessity or experimental or investigational status.

The reason why putting your dispute in writing is such a good idea is because it creates a paper trail and evidence for future reference including evidence if you end up taking your dispute to civil court. Writing a letter stating your dispute also provides evidence for the New York State Office of the Attorney General, Healthcare Bureau, as well as the New York State Department of Health, and the New York State Insurance Department all of which have some jurisdiction over HMO's in New York State.

2. Keep Your Documents Together

Keep all of your HMO documents together and organized. The following is one recommended system for tracking the process:

a. Number your HMO letters as well as your letters to your HMO in the lower right hand corner in pencil beginning with the number one.
b. Keep a document-tracking log like the sample one in the appendix. A blank Document-tracking log is included in this packet as well as a completed one for your information.
c. Keep all of your documents together either in a file or in a 3-ring binder.

3. Get a Copy of your Contract, Member Handbook and Enrollee Packet if you don't have one

A member handbook and enrollee packet contain valuable information about what coverage and what rights you have. If you don't have these documents you may want to consider calling your HMO or health insurance provider request them. Make sure that you have a copy of your HMO or health insurance contract. You may need this if you are working with either the Attorney General's Health Care Bureau or another State agency.

Simplified Checklist for HMO Coverage

_____ 1. Start Using the Blank Document Tracking Log (attached)

The attached document-tracking log is a very powerful tool. I am recommending that you start using one because it is much easier to track things as you go along than to go back and reconstruct the past.

_____ 2. Request a Referral If Required

If you have an HMO, which has a "network" of providers, you will almost always need a referral to a specialist from your primary care provider. If you are requesting to see a specialist that is outside of the "network" of providers, you will then be requesting an "out-of-network authorization" from your primary care provider. Keep a copy of your referral request.

_____ 3. You Should Get a letter from your HMO regarding the referral

If your referral is approved then you should get a letter stating such from your HMO. If your referral or "out-of-network authorization" is denied then you should get a letter stating that fact. The law required HMO's to notify you on these matters – in writing. Put your HMO correspondence in your document-tracking log and number the document in the lower right hand corner in pencil.

_____ 4. No letter poses a problem and you need to take action

If you do not receive a timely letter (say in less than a week) regarding a referral that you requested and that your primary care physician agreed to submit, then you need to take action. Call your PCP and ask for a copy of the documentation that was submitted regarding your referral request. Explain that the HMO has not responded in writing to the request and that you want to mail it in, or fax it in, or hand deliver it yourself so that you have proof that it was submitted. Your PCP may then offer to re-submit it. This is your call on how to handle that. In either case, your HMO is required by law to acknowledge approval of referrals and denials of referrals, therefore no letter equals no referral request.

_____ 5. If you get a DENIAL letter – take action

If you get a denial letter enter that into your document-tracking log and pencil a number in the lower right hand corner of the document. Then look and see what type of denial you received. It will be one of three basic types: a contractual denial, a medical necessity, or experimental/investigational denial. In any case it is very important that you take action. You can get advice from the New York State

Attorney General's Office, the Health Care Bureau 1-800-771-7755 if you either file a complaint form or send a letter. I am also willing to help anyone as much as possible.

_____ 6. File an Appeal – but not by phone!

If you get a denial, it is most advantageous to file an appeal. I do not recommend that you file any appeals by telephone. I recommend that you put your appeal in writing and that you address the nature of your denial in your letter. Keep a copy of your letter and any supporting documentation that you sent along with the letter. If you need help in writing a response, ask for it.

_____ 7. File a Formal Complaint with New York DOI & DOH & OAG

The New York DOI and DOH are the New York State Department of Insurance (DOI) and the Department of Health. These three state agencies have jurisdiction over HMO's. Therefore a complaint against your HMO is very important. Your HMO denial letter should have contained information in the letter about the fact that you are entitled to make complaints to the DOI and DOH and it should have provided telephone numbers and addresses. Failure to provide that information is a violation of NY State law. Keep a copy of any formal complaints that you make. If you need assistance with this aspect, please call the NYS Department of Health or Insurance Department and ask for it.

_____ 8. If You Get Denied again, continue appealing

The reason to continue appealing until you have no additional appeals is because this is what builds a case against managed care/HMO's for breach of contract/acting in bad faith, and other assorted charges. It really is important for each of us to exhaust our options in the HMO insurance coverage area.

_____ 9. Utilization Review & External Appeal

Utilization review and external appeal are two programs provided by New York State Laws in an effort to provide some protections to consumers. While these "systems" may be fraught with fraud, it is still extremely important that all consumers that are entitled to use these two processes use them regardless of the outcome. The

Getting Your Health Insurance Coverage for Fee-For-Service

Health Insurance Programs that are NOT a managed care plan (not an HMO, POS or PPO) are usually a Fee-For-Service Plan. This plan allows you an unlimited choice of doctors and hospitals, and you do not need a referral. Under the Fee-For-Service Plans you are typically responsible for 20-30% of a portion of your medical costs after a deductible has been met which is called coinsurance. Most insurers using this plan set an allowable reimbursement for a service, and you may be responsible for the difference between what your services actually cost and the "allowable reimbursement" set by the plan.

When submitting bills to any health insurance company for reimbursement, an important fact to bear in mind that many of them have pre-determined limits programmed into their computers and will automatically reject any submissions over that dollar limit. For example, if ABC Health Company has their reimbursement program set at $300.00 and you submit bills totaling $789.00 some part will most likely be rejected simply because of the 'cap' that they have internally on their system. For that reason, many people have found it is best to space out their submissions so that they do not come at the same time and so that the total amounts of the bills submitted will be under any internal cap that the health insurance company has within their system.

If your bills are rejected, you also have rights to appeals and grievances. Consult your contract or Office of the Attorney General **1-800-771-7755 if you are not sure about your rights.**

While you can use the HMO check sheet, not all items may be applicable. I know that you are or can be entitled to appeals & grievances as well as utilization review and external appeal. Your health insurance contract however outlines all of the rights that you have and the procedures available to you. In addition, you will find other valuable information in the New York State consumer publication called *New York Consumer Guide to Health Insurers 2003*. I highly recommend this publication which is a free publication available through the New York State Insurance Department.

How to File an HMO or Health Insurance Complaint

Executive Summary

As a consumer of health insurance you have rights that you may not be aware of which is why it is important to file **written complaints** when you feel that your HMO or health insurance company is not following proper procedures, or is denying you care without proper legal grounds. What follows are the most important aspects of filing a complaint against your HMO and/or health insurance company. This is a very important component of changing the system and correcting outrageous behaviors of HMO's and Health insurance companies. By law, the agency that you file a complaint with is obligated to investigate your complaint. If you need help in filing your complaint, be sure to ask for it.

Instructions

1. File all complaints in ***writing!*** I know it is much easier to pick up the telephone when you are upset and call an agency, however this is the least effective way to file a complaint! Always file your complaints in writing.
2. Send any and all complaints such that you have proof of transmission. That means either send by:
    a. Certified, return receipt requested U.S. Postal Service OR
    b. Use a Fax which provides a transmittal log so you have proof of transmittal
3. Keep a copy of any and all complaints.
4. Log any and all complaints in your document tracking log, and number appropriately. A sample document tracking log is included in this document as is a blank document tracking log. Your use of this document will help us prove the extent and degree of insurance fraud and problems happening in our state.
5. Be as specific as you can in your written complaint.
6. Send **copies** (not originals) of any evidence that supports your statements. Examples of documents to send when filing a complaint include:
    a. Letters from your HMO or Health Insurance Provider
    b. Copies of letters that you have sent to your health insurance provider to correct the situation
    c. Copies of insurance bills
    d. Any other items supporting your complaint.
7. Don't assume that the agency is going to know what you are talking about, so be as specific as possible when filing a complaint.
8. The following is a list of *terms that may be* applicable to your complaint. Use only those terms that apply. If you are unsure consult with an attorney or other knowledgeable source. Consumer Fraud, Breach of Contract, both express and implied contract, Violation of Grievances & Appeals processes, Violation of Americans With Disabilities Act, Theft by Deception, Taxpayer Fraud, Use of False & Misleading Advertising, Fraudulently using the term "Experimental and/or investigational", Violation of NY State Statute 4802 which requires detailed letters explaining reasons for a denial, Violation of NY State Statute 4802 section (K) which requires appeals to be resolved in the most expeditious manner possible, uses discriminatory reimbursement practices, uses discriminatory medical credentialing practices and policies, committing insurance fraud
9. File your complaints with the New York State Insurance Department, the New York State Department of Health, and the New York State Attorney General's Office.

Sample Document Tracking Log

Doc. Number	Document Description	From:	Addressed To	Copies To:	Date	US Mail; Fax Or Meeting	# of pages
1	HMO Denial Letter	Univera	Us	Physician	8/2/04	U.S. Mail	3
2	Our letter requesting an appeal	Us	Univera		8/6/2004	Certified Mail, RRR	6
3	Complaint to NYS DOH	Us	Dept. of Health		8/20/2004	FAXED	10

HMO/Health Insurance Document Tracking Log

Doc. Number	Document Description	From:	Addressed To	Copies To:	Date	US Mail; Fax Or Meeting	# of pages