

---

# REAL SOLUTIONS FOR REAL NEW YORKERS

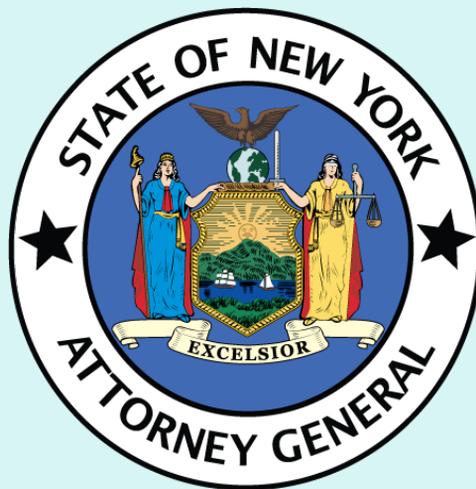
---

Health Care  Bureau Helpline  
(800) 428-9071



NEW YORK STATE OFFICE  
*of the*

**ATTORNEY  
GENERAL**



This report was prepared jointly by the Research Department and the Health Care Bureau, with special thanks to Elizabeth Chesler, Assistant Attorney General, and Bela Changrani, Legal Assistant.

# A Letter From Attorney General Eric T. Schneiderman

Dear Fellow New Yorker,

No one can put a price on good health. But even as health insurance becomes more accessible, consumers continue to find themselves paying far more than they anticipated to obtain the care they need.

It is not surprising that medical expenses are the leading cause of personal bankruptcies. But, certain predatory practices, such as the aggressive peddling of high-interest medical loans or credit cards, can make the situation even worse, leaving already vulnerable consumers deep in debt. My office's Health Care Bureau (HCB) is committed to ensuring fairness in the health care industry, and in the process, advocating relentlessly on behalf of health care consumers.

That advocacy begins when health care consumers contact the Health Care Bureau's Helpline. The Helpline is the Health Care Bureau's toll-free phone number (800-428-9071) that serves as the Attorney General's direct line to consumers. The advocates who staff the Helpline receive thousands of health care-related complaints and concerns each year, ranging from simple payment processing errors to reports of complex deceptive business practices. When necessary, the combined skill, knowledge, and experience of the Helpline staff enable them to quickly assist health care consumers and resolve urgent issues in a professional and expedient manner – completely free of charge.

Since I took office in 2011, the Helpline has answered, processed, or referred over 20,000 calls and complaints from health care consumers. The Helpline has made a real difference for real New Yorkers, securing over \$12.5 million in consumer refunds and savings, as well as advocating on behalf of thousands of other patients. The Helpline is also an important repository of consumer information, empowering the Health Care Bureau and other bureaus to work with health care providers to implement best practices for consumers and to bring swift enforcement actions when misconduct is discovered.

This report, "Real Solutions for Real New Yorkers: Health Care Bureau Helpline," outlines the tremendous efforts of the Helpline team over the past three years and provides useful tips to aid New Yorkers in becoming savvy health care consumers. New Yorkers should be able to access quality health care without being bogged down in confusing paperwork or saddled with ruinous debt. Our Helpline is an invaluable resource to guide and advocate for New Yorkers and make sure their rights are respected.

Sincerely,



Eric T. Schneiderman

# \$12.5 Million for Consumers

The Helpline secured over \$12.5 million in refunds and savings for 2,413 New Yorkers between January 1, 2011, and September 30, 2014. The reasons for these claims range from incorrect billing by medical providers to insurance companies wrongfully rejecting or failing to process claims. Highlighted below are a few cases where the Helpline directly helped save consumers money:



## Other Consumer Victories

Helpline staff have successfully intervened so consumers can access the medical care they need. These resolutions can vary from securing necessary pre-authorizations to certifying that health plans do not improperly terminate coverage. Advocates also take the extra step for consumers – ensuring that any negative effects from improper medical billing or claims are removed from their credit reports – preserving the financial health of many New Yorkers.

**1 in 10**  
Approximate number of medical bills nationwide that contain a claims error, according to the American Medical Association in 2012.

# Helping Thousands of New Yorkers

**20,292**

calls, complaints, alerts, or information requests made since 2011 to the Helpline

**64%**

calls requiring Helpline investigation and/or resolution since 2011

**13**

average number of cases opened daily since 2011 by Helpline advocates

## Top Ten Counties

Number of Calls to Helpline in 2013

1. Albany	583
2. Nassau	440
3. Suffolk	403
4. Kings	354
5. Westchester	290
6. Queens	283
7. Monroe	240
8. Onondaga	225
9. Ulster	208
10. New York	192

## #1 Albany County

residents placed the greatest number of calls (583 in 2013) the Helpline.

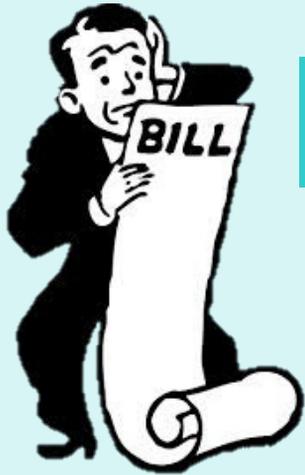
## The Attorney General's Front Line

The Helpline is a place for New Yorkers to raise – and for Helpline advocates to resolve – health care complaints and concerns. Helpline staff resolved 13,011 consumer complaints, while providing another 7,281 consumers with requested information or referring them to an appropriate agency, between January 1, 2011, and September 30, 2014.

“What a wonderful surprise it was to have my call answered by a human ... I have renewed faith in ‘the system.’ THANK YOU and your department for making something scary have a good ending.”

- Rockland County

# Top Issues Raised by Consumers



## Provider Billing **27%**

- Improper billing by out-of-network providers
- Provider failure to submit claims
- “Balance billing”

## **22%** Claims Processing

- Undue delays in processing claims
- Health plan failure to pay claims
- Disputes between insurer and member over coverage



## Denial of Coverage **15%**

- Procedure deemed “not medically necessary”
- Dispute over covered benefits, including substance abuse and mental health treatment
- Clerical error in coverage denial
- Denial of pre-authorization for necessary care



### What *is* “Balance Billing”?

The practice of a medical provider who bills the patient for the difference between the price of services rendered and the reimbursement received from the insurer. In most cases, in-network providers are prohibited from balance billing their patients.

### **#1 Cause**

Medical debt is the leading cause of bankruptcies, according to a 2009 Harvard Medical School study.

# Helpline Generates HCB Cases

The Health Care Bureau conducts investigations and litigation against health plans, health care providers, and other individuals and entities that engage in fraudulent or deceptive practices in the health care market. The Helpline assists the HCB in identifying trends and systemic problems in New York's health care system that may form the basis of investigations and enforcement actions. Several of the bureau's recent settlement agreements are highlighted below.

## End High-Pressure Tactics

### GE Capital Retail Bank & CareCredit (June 2013)

- Ensuring consumers are fully aware of high-interest rates associated with medical credit cards, and providing them with time to fully weigh financing options.
- Limiting the amount a provider can charge up front, to give consumers more flexibility to choose a doctor and care plan.

**27%**

minimum interest rate charged by CareCredit

## Enforce Laws Requiring Plans to Cover Mental Health Services

### Cigna (January 2014); MVP (March 2014);

### EmblemHealth, Inc. (July 2014)

- Ensuring that those who need ALL types of mental health coverage, including treatment for substance dependence and nutritional disorders, are covered for the full range of services as they are for physical medical conditions.
- Reforming the behavioral health claims review process to make it more thorough and fair, thereby preventing arbitrary denial of care.

Up to **\$31**

**Million**

possibly returned to EmblemHealth members wrongfully denied benefits

## End Predatory Medical Loans

### Surgeryloan.com and Others (April 2014)

- Preventing unlicensed entities from providing illegal, high-interest loans to fund medical procedures, putting vulnerable patients at risk.
- Helping more than 300 victims recoup repayments or credits from medical loan provider at legal interest rate.

**55%**

interest rate charged by unlicensed online medical loan providers

“ Without you, I would be ‘spinning my wheels’ for resolution. This service is absolutely necessary for the retired-elderly. I found it to be timely as well as very professional. ”

- Chenango County

# Real Help for Real People

Just days before a scheduled surgery, the consumer's insurance company denied the procedure, claiming they lacked proper documentation. **The consumer was stuck between a hospital threatening to cancel a surgery and an insurer that wasn't going to pay for it.** The Helpline – in just three hours – got the hospital to submit the proper paperwork and the insurance company to authorize the surgery.

- Schenectady County

A consumer received sizable medical bills for a procedure her insurance company had already approved. The Helpline determined that the consumer was assigned to the wrong plan, which caused her insurance to be retroactively terminated. At the insistence of the Helpline, the insurer dropped its demand for reimbursement.

-Dutchess County

A company marketed discount plans as comprehensive health plans, and promised reimbursement of 57% of consumer's health bills. **But the plan really only reimbursed 10% of claims.** The Helpline discovered that the company was operating without a license in New York State and obtained a full refund for the consumer.

- Westchester County

# Real Help for Real People

Consumer's child experienced a serious fall. First responders called for an air ambulance to take him to a hospital. The health plan denied the claim saying air transport was not medically necessary. With the Helpline's assistance, the plan paid the air transport claim of \$10,000.

- Erie County

Consumer's teen sought treatment for substance abuse in a residential facility, after unsuccessful attempts at outpatient rehabilitation. The insurance company rejected the treatment as not medically necessary. After involving the Helpline, the insurance company reversed the denial and the consumer's teen was able to receive the medically appropriate mental health treatment.

- Onondaga County

A consumer and his insurance company were billed approximately \$1,600 for a surgery that was never performed. The provider submitted claims to the consumer's insurance company anyway. After the Helpline staff intervened, the provider acknowledged the error and adjusted the claim. The provider also agreed to review all suspended surgeries for the previous ten months to ensure others' claims were processed correctly.

- Chenango County

# Real Help for Real People

Consumer experienced delays receiving necessary medication from the mail-order pharmacy, sometimes going days without taking medication and placing his health at risk. **The insurer denied the consumer's request to waive the mail order requirement.** After involving the Helpline, consumer was able to receive three months of supplies of his medication, rather than the one month supply previously permitted.

- New York County

Consumer was scheduled for breast reconstruction immediately following a mastectomy. **The insurer rejected the request for an out-of-network referral.** The Helpline pointed out that the insurance plan did not have a participating surgeon to perform patient's surgery. The Helpline secured an exception to cover the cost of the surgeon to perform the appropriate reconstructive surgery for the consumer.

- Nassau County

Consumer's daughter required a kidney transplant. **Although the family's insurance offered paid-in-full transplant services, the only authorized hospitals performed adult transplants.** The family faced paying out-of-network costs. After significant negotiation by the Helpline, the insurance company agreed to cover all hospital costs at an in-network rate and directed the hospital to minimize the family's out-of-pocket expenses.

- Richmond County

# How Does the Helpline Work?

This free service from the New York State Office of the Attorney General provides information, investigates individual complaints, and mediates resolutions to help protect consumers' rights that relate to health care. While not all calls can be resolved in the consumer's favor, the Helpline plays a crucial role in providing advocacy as well as reliable, objective information.

**Encounter a Health Care Problem**

**Call Health Care Bureau Helpline  
(800) 428-9071**

**Speak to an Advocate**

**Mediate**

**Reach Resolution**

**Receive Information**

**Referred to Appropriate Agency**

Many consumers call the Helpline because they do not fully understand their health insurance benefits, doctor or hospital charges, appeal rights, or where to get help.

**Pipeline of Information**

The Health Care Bureau reviews Helpline calls and cases for trends and systemic problems that may form the basis of investigations and enforcement actions.

# Consumer Alert

## Medical Credit Cards



## “Accept” vs “Participate”

Some medical providers may advertise that they “accept” a wide range of insurance plans, but in fact, that simply means they are willing to treat (and later bill) consumers at high out-of-network rates. **Just because a provider is willing to process your insurance credentials, that does not necessarily mean your care is covered.** Always ask specifically if the provider **“participates”** in your insurance plan before you receive treatment. If you are unsure, contact your insurance provider before receiving treatment.

Before signing up for a credit card, be sure to:

### ✓ Take your time

Don’t fall for a sales pitch. The doctor may have an incentive for signing you up – providers often receive full payment for services quickly from creditors. Don’t be pressured into making a decision on the spot.

### ✓ Understand the terms of financing

Beware of deferred interest financing. Understand how the deferred interest will accrue and when it will be imposed. Understand the monthly payments you must make in order to avoid interest. Be aware of potential impacts this debt could have on your credit.

### ✓ Ask for alternative payment options

Your provider may also be willing to negotiate the fee. You may have more difficulty addressing billing matters with your provider.



“ This letter is to thank you and your department for your efforts, efficiency, and effectiveness. My case was handled quickly and easily. It is such a relief to know that your office is in my corner, and that I am not alone.”

- Suffolk County

# Consumer Tips

## Be Informed

- ✓ **Understand your Network Coverage:** Pay special attention to the description of in-network and out-of-network coverage. Plans may say they have out-of-network coverage, but may, in fact, pay very little to out-of-network providers, leaving you to pay the balance.
- ✓ **Find Covered Providers:** If you want to stay in-network, check with your plan and all providers who will be treating you – even the lab – and confirm that the providers are in-network.
- ✓ **Check Rx:** Check the list of drugs that your plan will cover (the "drug formulary") to see if your medication is on it. If your plan requires you to use mail order and you believe you cannot, ask your plan about a hardship waiver that will allow you to use a retail pharmacy.

## Be Proactive

- ✓ **Question Bills :** You generally should not have to pay more than your deductible, co-pay, or co-insurance for any in-network provider.
- ✓ **Request Financial Aid :** Ask about a hospital's financial aid program. If you are not eligible for financial aid, ask whether the hospital will accept a discounted payment.
- ✓ **Document Everything :** Write down the date of the conversation, the person with whom you spoke, and what was said.
- ✓ **Appeal Denials:** Exercise your internal and external appeal rights if your health plan denies a claim.

If you have encountered a problem with your health care coverage, or have a dispute that you believe requires mediation, the Helpline is here to assist you.

**Call the Helpline: (800) 428-9071**



NEW YORK STATE OFFICE

*of the*

**ATTORNEY  
GENERAL**