

HEALTH CARE NEWS

A Monthly Publication From the New York State Attorney General's Health Care Bureau

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HEALTH PLANS TO RE-EXAMINE DENIALS OF COVERAGE

Attorney General Eliot Spitzer announced that two health plans have agreed to re-examine their decisions to deny coverage to thousands of New Yorkers. Under the terms of the settlement, two divisions of Excellus Blue Cross Blue Shield based in Central New York and Utica-Watertown will review 16,621 claims, and Mutual of Omaha will review 156 claims, that were denied since 1997 primarily due to alleged pre-existing conditions.

"Both state and federal law are clear that a pre-existing condition must be covered unless diagnosis or treatment of the condition was actually recommended or received six months prior to enrollment in a plan," Spitzer said. "This agreement will help ensure coverage for pre-existing conditions for those who are entitled to it."

A review of the plans' member contracts and/or denial notices revealed that they contained incorrect or incomplete pre-existing condition definitions, and omitted or incorrectly stated the members' right to be credited with covered days under previous health insurance. An in-depth examination of the plans' denials is now necessary to determine whether such inaccuracies led to any improper claim denials.

"This action by Attorney General Spitzer sends a clear message that health care consumers will be afforded the protection guaranteed by federal and state law," said Mark Scherzer, Counsel to New Yorkers for Accessible Health Coverage. "New York's law prevents insurance companies from deny-



HEALTH CARE HELPLINE AT 1-800-771-7755 option 3

Ms. C, an Ulster County resident, called the Attorney General's Health Care Helpline when she was billed over \$200,000 for medical services provided to her late husband. Ms. C told an AG Helpline mediator that her husband had twisted his knee several weeks before he joined his health plan - Mutual of Omaha. Diagnostic tests conducted after his enrollment, however, revealed that, in addition to the sprain, a malignant tumor in his knee had spread throughout his body. A few months after her husband died, the plan refused to cover the costs of his treatment, arguing that his cancer had existed before his enrollment. A Health Care Bureau attorney intervened on Ms. C's behalf. A review of the plan's member contract revealed that its basis for denial was an incorrect definition of a pre-existing condition as that "which manifests itself in symptoms which would cause an ordinarily prudent person to seek medical advice, diagnosis, care or treatment." The attorney informed plan officials that under New York State law, Mr. C's cancer was not "pre-existing" since he did not seek or receive any medical advice, care or treatment for his condition within six months before enrolling in the plan. The plan reversed its decision and paid for the care.

ing coverage for conditions that consumers did not perhaps even know they had before they got their insurance."

Excellus, based in Rochester, NY, and Mutual of Omaha, based in Omaha, Nebraska, serve over 1.6 million people in New York State.

EMPIRE TO CLARIFY MENTAL HEALTH COST SHARING PRACTICE

An Empire Blue Cross Blue Shield member with TraditionPlus coverage called the Health Care Bureau and complained that under the mental health rider to her TraditionPlus contract, Empire was not counting her coinsurance payments towards her annual coinsurance maximum. This practice, the consumer told a Health Care Bureau attorney, was resulting in her taking longer to reach her annual maximum and reducing the reimbursements from her policy.

A review of the TraditionPlus policy revealed that it did not clearly explain that coinsurance payments for outpatient mental health visits do not count towards a member's annual coinsurance maximum. Empire has agreed to revise the language in its policy to ensure that consumers understand how their coinsurance payments are credited. Empire has also agreed to reprocess the claims of any member who was confused by the policy language if the member files a complaint before January 30, 2003. To file a complaint or obtain more information, call the Health Care Bureau at 212-416-6305.



DID YOU KNOW?

The NYS Health Accountability Foundation, an independent, non-profit, consortium of health care purchasers funded by the NYS Legislature and Department of Health, has compiled report cards that compare each major New York HMO's performance to the national average. The report cards are available at www.aboutthehealthquality.org.

Attorney General Eliot Spitzer's Health Care Bureau protects - and advocates for - the rights of all health care consumers statewide. The Bureau operates a Health Care Helpline that assists thousands of New Yorkers with individual problems; investigates and takes law-enforcement actions to address systemic problems in the operation of the health care system; and proposes legislation to enhance health care quality and availability in New York State. **To share your views contact the Editor: Rashmi.Vasisht@oag.state.ny.us**

