

**State of Maryland**

**OFFICE OF THE ATTORNEY GENERAL**

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**ANNUAL REPORT ON THE  
HEALTH INSURANCE CARRIER  
APPEALS AND GRIEVANCES PROCESS**

**Prepared by:**

**HEALTH EDUCATION AND ADVOCACY UNIT**

**CONSUMER PROTECTION DIVISION**

**OFFICE OF THE ATTORNEY GENERAL**

**Submitted to the Governor and General Assembly**

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**2008**

## Table of Contents

I. Executive Summary.....	1
II. Overview of the Appeals and Grievances Process.....	2
III. Carrier Internal Grievances Process.....	3
Carrier Statistics FY 2008 .....	4
IV. Maryland Insurance Administration .....	5
MIA Statistics FY 2008.....	6
V. The Health Education and Advocacy Unit .....	7
HEAU Statistics FY 2008 .....	8
VI.	
Appendix.....	9
<u>Carrier Grievance Data</u>	
Grievances Reported by Carriers .....	10
Grievances Filed Nine Year Comparison .....	12
Outcomes of Internal Grievances .....	13
Outcomes of Internal Grievances– Three Year Comparison .....	13
Type of Service Involved in Grievances .....	14
Outcomes of Grievances by Type of Service .....	14
Percentages of Grievances Overturned or Modified Three Year Comparison .....	15
Adverse Decisions compared to Grievances Filed .....	16
<u>MIA Complaint Data</u>	
Complaints Listed by Carrier .....	17
Complaints Reviewed by Appeals and Grievances Unit .....	19
Disposition of Complaints .....	20

Results of MIA Orders .....	21
Type of Service Involved in Complaints .....	22
<u>HEAU Case Data</u>	
Cases Listed by Carrier .....	23
Who Are Cases Filed Against?.....	28
Disposition of Cases .....	29
Who Filed Case?.....	30
Outcomes Based Upon Who Filed Case.....	30
Timing of Adverse Decision.....	31
Outcomes Based Upon Timing of Adverse Decision.....	31
Type of Service Involved in Cases .....	32
Outcomes of Cases by Type of Service .....	32
Types of Carrier.....	33
Outcomes of Cases by Regulatory Authority .....	33
Outcomes of Cases by Decision Type .....	34

## I. Executive Summary

The Health Education and Advocacy Unit of the Consumer Protection Division of the Office of the Attorney General (hereinafter referred to as HEAU or Unit) submits this annual report on the implementation of the Health Insurance Carrier Appeals and Grievances Law<sup>1</sup> (hereinafter referred to as the Appeals and Grievances Law) as required by the Maryland General Assembly.<sup>2</sup> HEAU is required to issue a report each November that summarizes the grievances and complaints handled by carriers, HEAU, and the Maryland Insurance Administration (MIA). HEAU is also required to evaluate the effectiveness of the internal grievance process and complaint process available to members and to propose any changes that the HEAU considers necessary to improve those processes.

As required by statute, this report will cover grievances and complaints handled during the state fiscal year 2008, beginning July 1, 2007, and concluding on June 30, 2008. The Appeals and Grievances Law is evaluated by:

- Summarizing the provisions of the law;
- Discussing implementation efforts of the health insurance carriers, MIA, and HEAU; and,
- Presenting a statistical summary of grievances and complaints handled by carriers, MIA, and HEAU.

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<sup>1</sup>Md. Code Ann., Insurance §15-10A-01 through §15-10A-09.

<sup>2</sup>Report required by Md. Code Ann., Commercial Law §13-4A-04 and Insurance § 15-10A-08.

## II. Overview of the Appeals and Grievances Process

The 1998 General Assembly enacted the Appeals and Grievances Law to provide patients a process for appealing their health insurance carriers' medical necessity "adverse decisions." In 2000 the General Assembly passed HB 405, entitled "Complaint Process of Coverage Decision,"<sup>3</sup> which expanded the appeals and grievances process to include contractual "coverage decisions." As a result, patients in Maryland can challenge any decision by a carrier that results in the total or partial denial of a covered health care service.

As amended, the Appeals and Grievances Law established two very similar processes for patients to dispute carrier determinations, one for carrier denials based upon medical necessity and a second process for contractual denials. For both types of denials the appeals and grievances process starts when the patient receives notice from the carrier that either an adverse or coverage decision has been rendered. An adverse decision is a finding by a health insurance carrier that proposed or delivered health care services are or were not *medically necessary*, appropriate, or efficient. A coverage decision is a determination by a carrier that results in the *contractual exclusion* of a health care service.

Under the Appeals and Grievances Law, carriers must provide patients a written notice that clearly states the basis of the carrier's adverse decision, and the Health Education and Advocacy Unit (HEAU) is available to mediate the dispute with the carrier or, if necessary, help the patient to file a grievance or appeal. The notice must also inform the patient that an external review of the decision is available through the Maryland Insurance Administration (MIA) following exhaustion of the carrier's internal process as established by the Appeals and Grievances Law.

After receiving the initial denial, the patient<sup>4</sup> may dispute the determination through the carrier's internal grievance or appeal process. The carrier has thirty working days to review adverse decisions involving pending care and forty-five working days for care that has already been rendered. For coverage decisions the carrier has sixty working days after the date the appeal was filed with the carrier to render a decision. At the conclusion of this internal grievance or appeal process the carrier must issue a written grievance decision or a written appeal decision to the patient.

If the carrier's final decision is unfavorable to the patient, the patient may file a complaint with MIA for an external review of the carrier's determination. Only when there is a compelling reason may patients file a complaint with MIA prior to exhausting the internal grievance process.

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<sup>3</sup>Md. Code Ann., Insurance §15-10D-01 through §15-10D-04.

<sup>4</sup>Throughout this report we refer to the rights of patients during the appeals and grievances process. The Appeals and Grievances Law also gives health care providers the right to file appeals and grievances on behalf of their patients.

### III. Carrier Internal Grievance Process

All health insurance carriers regulated by the State of Maryland are required to establish a grievance process that complies with the provisions of the Appeals and Grievances Law. Health maintenance organizations, nonprofit health service plans, and dental plans are also covered by the requirements of the law.<sup>5</sup> The Appeals and Grievances Law establishes guidelines that carriers must follow in notifying patients of medical necessity and contractual denials, establishing grievance processes, and notifying members of grievance decisions.

The law also subjects carrier decisions to an external review by MIA. In cases of medical necessity denials, MIA can refer the case to medical experts at an Independent Review Organization (IRO) for evaluation and to provide MIA with an opinion as to the medical necessity of the care. MIA has the option of accepting or rejecting the opinion when making a final determination.

In addition, the Appeals and Grievances Law requires carriers to submit quarterly reports to MIA that describe the number and outcomes of internal grievances handled by the carriers. MIA then forwards the reports to HEAU for inclusion in this Report. While the quarterly report data submitted by carriers provides some basic insight into the carriers' internal grievance processes, its usefulness is limited by several factors, including:

The carriers do not report data about each individual grievance. The carriers divide their data into medical service categories and report on the limited data within each category. As the categories are not standardized, reporting and categorizing may vary significantly from one carrier to another, making it difficult to compare one carrier's data to that of another.

The diagnosis and procedure information reported is incomplete. Carriers are required to report diagnostic or treatment codes for a limited number of complaints. While the limited data provides basic evaluative information, complete reporting would provide a more valuable tool in analyzing grievance data.

Carriers are not required to identify the grievances that involved the MIA or HEAU. Since this information is not present, it is impossible to check the cases reported by carriers against the data recorded by MIA or the HEAU to verify the consistency of data reporting.

Carriers are not required to report membership or enrollee numbers, so an analysis of the number of adverse decisions compared to enrollee number cannot be performed.

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<sup>5</sup>Health plans offered by Medicare, Medicaid, the Federal Employee Health Benefit Plan and the federally regulated self-funded plans are not subject to the appeals and grievances requirements.

As of January 1, 2002 the data submitted by carriers was expanded to include the number of adverse decisions issued and to identify the type of service involved in each adverse decision. The HEAU's 2003 Annual Report contained the first full year of adverse decision data.

### **Carrier Statistics FY 2008**

In addition to the highlights below, charts providing statistical detail from the data submitted by the carriers appear on pages 10 -16 of this report.

1. Carriers reported 76,533 adverse decisions in FY 2008. This represents an increase of 70% in the number of denials issued by carriers from FY 2007. The carriers administratively reversed 187 of these adverse decisions, or less than 1%.
2. Carriers report 10,521 internal grievances were filed in FY 2008. Since carriers are not required to report membership numbers, it cannot be determined if the increase in grievances filed represents an increase in overall membership.
3. Overall, during the internal grievance process, carriers altered their original adverse decisions in a total of 53% of the grievances they received. They overturned their adverse decisions in 38% of the grievances and modified their determinations in 15% of the grievances filed. This represents a 4% increase from FY 2007, when carriers reported changing 49% of their adverse decisions.
4. Outcomes from carriers' internal grievance processes vary significantly based upon the type of service in dispute. These trends have remained fairly constant during the past four years, with adverse decisions related to physicians and other health care providers, pharmacy, and radiology/laboratory services much more likely to be reversed than adverse decisions involving mental health care, durable medical equipment, and inpatient hospital services. However, there are two significant changes in the trends of the last four years in the areas of emergency room services and inpatient hospital services. In both instances reversal of adverse decisions involving these services has decreased over time.
5. Adverse decisions involving mental health/substance abuse services continue to be significantly less likely to be overturned or modified than other types of health care services. For FY 2008 carriers reported an overturned or modified rate of 20% for mental health and substance abuse, an increase from 7% in FY 2007.

#### **IV. Maryland Insurance Administration**

The Maryland Insurance Administration (MIA) has regulatory oversight of insurance products offered in the State of Maryland. The General Assembly enacted the Appeals and Grievances Law in 1998 for medical necessity denials and expanded the law in 2000 to include contractual denials. It provided MIA with the financial resources needed to handle the increased caseload and to have medical experts review the carriers' medical necessity adverse decisions. In addition to granting MIA the specific authority to order external reviews, the law also describes its responsibilities and establishes deadlines for cases involving urgently needed care.

When MIA receives a written complaint from a patient or provider, it reviews it to determine if the complaint raises issues subject to the Appeals and Grievances Law. If the Appeals and Grievances Law applies, MIA must confirm that the carrier's internal grievance process has been fully exhausted. The law requires the internal process be exhausted prior to MIA examining a carrier's adverse decision unless there is a compelling reason for review prior to exhaustion. If the carrier's internal process has been exhausted or there is a compelling reason to bypass the internal grievance process, MIA will contact the carrier in writing requesting a written response to the complaint. The carrier may respond to MIA by confirming or reversing its denial or by providing additional information related to the complaint. When MIA does not have jurisdiction or the carrier's internal process has not been exhausted, MIA refers the case to HEAU for an ombudsman to assist the patient through the grievance process.

If the carrier upholds a denial that is subject to the Appeals and Grievances Law, then MIA's investigator prepares the case for review. As part of the preparation, the investigator contacts the appropriate parties in writing, giving them a deadline for submitting additional documentation to be considered in the review. The parties, including the carrier, are notified simultaneously. Once MIA receives the proper documentation, the file is forwarded to an Independent Review Organization (IRO) for medical necessity review, or to an MIA reviewer for contractual denials. The IRO is asked to respond to specific questions set forth in a cover letter.

If the reviewer's recommendation is to overturn the carrier's denial, and the Insurance Commissioner agrees, an order is issued and forwarded in writing to the carrier, along with a notice that the carrier has the right to request a hearing challenging the order. The patient or provider who filed the complaint is notified of the outcome by telephone, if possible, and then by mail.

If the reviewer's recommendation is to uphold the carrier's denial, and the Insurance Commissioner agrees, the patient or provider is informed of the decision, by phone if possible, and that they have the right to request a hearing. The carrier is also informed of this decision by phone, and if warranted by mail.



For urgently needed care, MIA conducts an expedited external review, usually completing the above process within 24 hours. A hotline number (1-800-492-6116) is available 24 hours a day, seven days a week to respond to these emergency cases.

### **MIA Statistics FY 2008**

In addition to the highlights listed below, charts providing statistical detail of the disposition of MIA cases appear on pages 17-22 of this report.

1. The Appeals and Grievances Unit of MIA reviewed a total of 1,053 cases that were filed between July 1, 2007, and June 30, 2008.
2. After reviewing these cases, MIA determined that 596 involved adverse decisions issued by health insurance carriers they regulated.
3. Of the 596 meeting the above criteria, MIA referred 147 to HEAU because the patient had not yet exhausted the carrier internal grievance process and there was no compelling reason to review the adverse decision prior to the exhaustion of the carrier's internal grievance process.
4. MIA initiated reviews of 449 cases in which patients challenged the grievance decision of their health insurance carrier.
5. During FY 2008, MIA issued 241 orders in cases related to carrier decisions in appeal and grievance cases.
6. Of the 241 orders issued, MIA upheld 227 or 94% of the carrier decisions, overturned 4 or 2% of the decisions, and modified 10 or 4% of the decisions.

## **V. The Health Education and Advocacy Unit**

The Health Education and Advocacy Unit (HEAU) was established by an act of the 1986 General Assembly. The HEAU was designed to assist health care consumers in understanding health care bills and third party coverage, to identify improper billing or coverage determinations, to report billing and/or coverage problems to appropriate agencies, and to assist patients with health equipment warranty issues. To fulfill these responsibilities, HEAU built upon the established mediation program within the Consumer Protection Division of the Attorney General's Office. Based upon HEAU's successful mediation efforts, the General Assembly selected the Unit to be the first line consumer assistance agency when they passed the Appeals and Grievances Law in 1998.

The Appeals and Grievances Law requires that health insurance carriers notify patients that HEAU is available to assist them in appealing an adverse decision. With each adverse decision issued, carriers must provide patients with HEAU's contact information including HEAU's toll-free hotline (1-877-261-8807). In addition, HEAU conducts outreach programs to increase patient and provider awareness of the rights and resources granted under the Appeals and Grievances Law.

When HEAU receives a request for assistance, the Unit gathers basic information from the health insurance carriers related to the services or care denied. Specifically, HEAU asks the carrier to provide a copy of the insurance contract provisions or the utilization review criteria upon which the carrier based the denial and to identify precisely which provision or criteria the patient failed to meet. Once the carrier responds, HEAU gathers information about the patient's condition from the patient and provider. The object is to assemble all relevant information or documents necessary for the carrier to determine if the patient meets the criteria established by the health plan, or that the contractual denial is incorrect. HEAU then presents this information to the carrier for reconsideration of the denial. Many complaints are resolved during this information exchange process. If not resolved, HEAU will prepare and file a formal written grievance with the health insurance carrier on behalf of the patient.

If, at the conclusion of the grievance process, the carrier continues to deny the care, the patient or provider may request that HEAU transfer the case to MIA for external review. HEAU refers the case to MIA with a copy of all relevant medical and insurance documentation.

## **HEAU Statistics FY 2008**

In addition to the highlights listed below, charts providing statistical detail of the disposition of HEAU cases appear on pages 23-34 of this report.

1. HEAU closed 1,705 cases during FY 2008.
2. The appeals and grievances cases fall into two categories: denials based upon medical necessity and denials based upon contractual exclusions. HEAU- mediated cases were 74% contractual denials and 26% medical necessity denials.
3. HEAU mediation resulted in 41% of the contractual denial cases being overturned or modified by the carrier; 62% of the medical necessity denial cases were overturned or modified.
4. HEAU assisted patients in obtaining more than \$900,000.00 in claims payments in appeal and grievance cases in FY 2008, bringing the total to more than \$9 million in claims payments related to the appeal and grievance cases since the law became effective in January 1999.
5. HEAU mediation efforts resulted in adverse decisions being changed in 46% of cases involving carriers subject to MIA regulations.
6. In cases filed against health plans not subject to review by MIA, HEAU mediation efforts resulted in carriers changing their decisions 24% of the time.

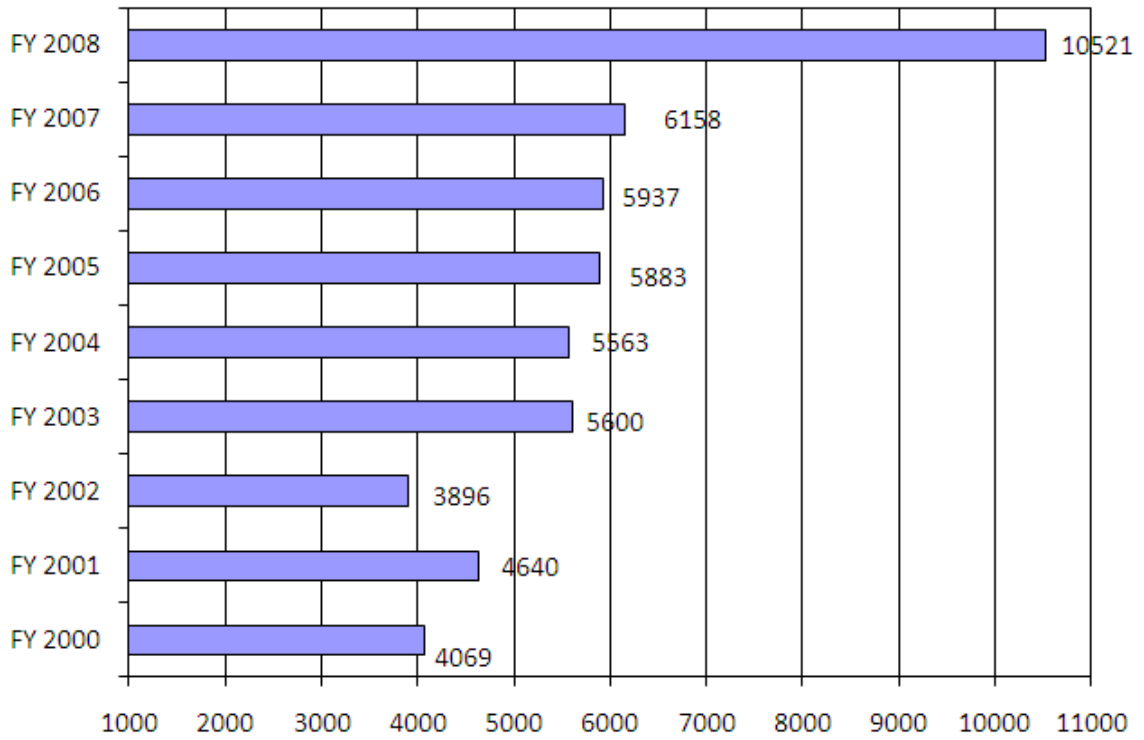
## VI. Appendix

**Carrier Data  
Reported by Carriers  
Fiscal Year 2008**

Carrier	Total	Admin Reversal	Total	Upheld	Overturned/Modified
Aetna Dental Inc.	70	0	1	100%	0%
Aetna Health Inc.	2752	65	93	0%	0%
Aetna Life Insurance Company	451	19	106	51%	49%
ALG Life Insurance Company	1	0	1	100%	0%
Ameritas Life Insurance Corp.	55	0	15	60%	40%
CareFirst BlueChoice, Inc.	7341	0	1166	34%	66%
Carefirst of Maryland, Inc.	4372	0	439	53%	47%
Cigna Healthcare Mid-Atlantic, Incorporated	176	0	88	50%	50%
Companion Life Insurance Company	11	0	4	100%	0%
Connecticut General Life Insurance Company	729	0	121	55%	45%
Coventry Health Care of Delaware, Inc.	1536	0	70	77%	23%
Dental Benefit Providers of Maryland, Inc.	1064	0	144	15%	85%
Group Dental Service of Maryland, Inc.	26287	0	89	52%	48%
Group Hospitalization and Medical Services, Inc.	4459	0	583	32%	68%
Guardian Life Insurance Company of America	589	15	142	54%	46%
HumanaDental Insurance Company	6	1	6	50%	50%
John Alden Life Insurance Company	1	0	1	100%	0%
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.	2650	26	107	53%	47%
Kaiser Permanente Insurance Company	2	0	2	0%	100%
Mamsi Life and Health Insurance Company	1044	11	844	69%	31%
MD-Individual Practice Association, Inc.	1107	10	572	73%	27%
Metropolitan Life Insurance Company	16509	0	2404	13%	87%
Nationwide Life Insurance Company	4	0	4	50%	50%

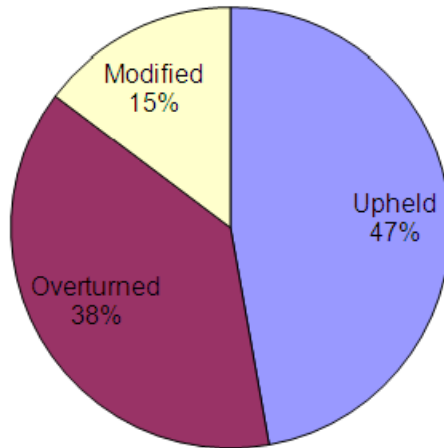
Optimum Choice, Inc.	4641	33	3277	69%	31%
Reliance Standard Life Insurance Company	4	0	6	100%	0%
Standard Insurance Company	1	0	1	100%	0%
Standard Security Life Insurance Company of New York	2	0	2	100%	0%
Time Insurance Company	9	1	8	25%	75%
Trustmark Life Insurance Company	2	2	2	0%	100%
Unicare Life & Health Insurance Company	259	0	52	46%	54%
Union Labor Life Insurance Company	8	0	2	0%	0%
Union Security Insurance Company	15	4	15	73%	27%
United Concordia Life and Health Insurance Company	227	0	94	21%	79%
United Healthcare Insurance Company	120	0	37	73%	27%
UnitedHealthcare of the Mid-Atlantic, Inc.	29	0	23	61%	39%
<b>TOTAL</b>	<b>76533</b>	<b>187</b>	<b>10521</b>	<b>47%</b>	<b>53%</b>

**Carrier Data  
Grievances Filed  
Nine Year Comparison**



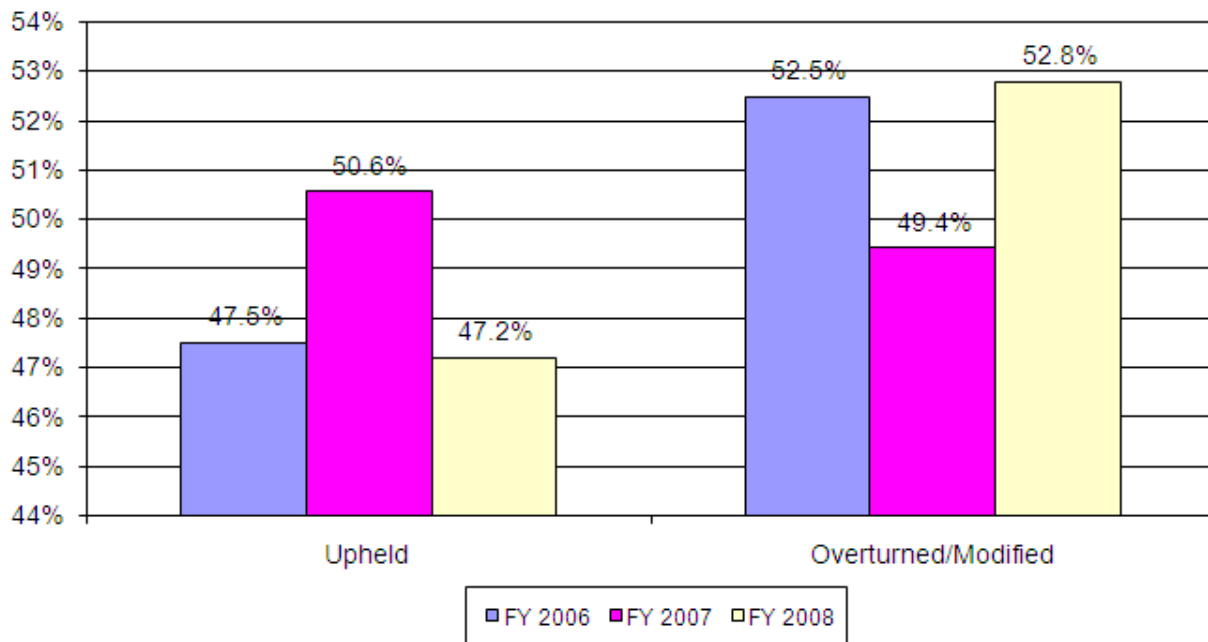
This chart shows the history of carrier grievances under the A&G Law since the first full year of data.

**Carrier Grievance Data**  
**Outcomes of Grievances Filed**  
**FY 2008**



This chart describes the outcomes of the 10521 internal grievances reported by the carrier.

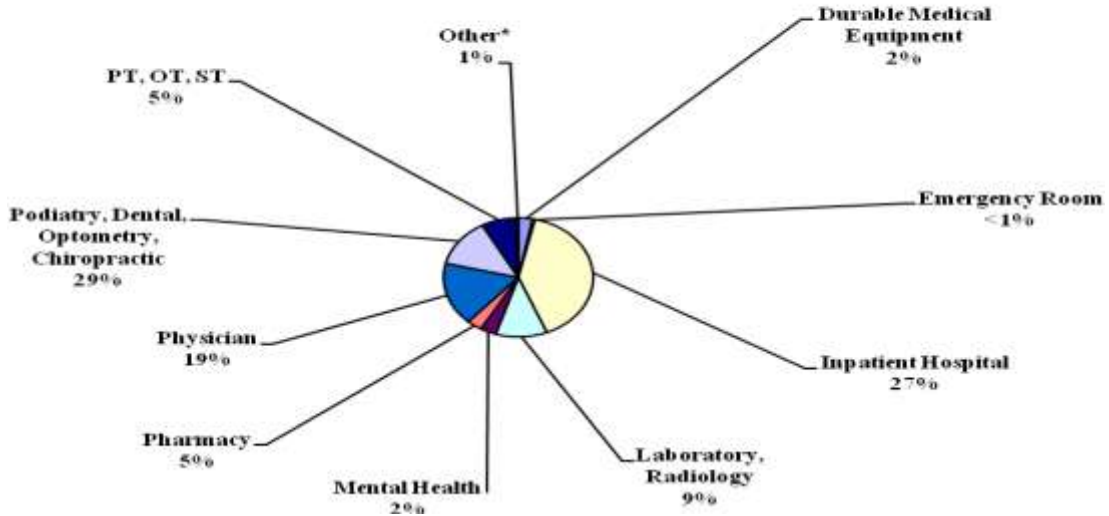
**Outcomes of Grievances Filed**  
**Three Year Comparison**



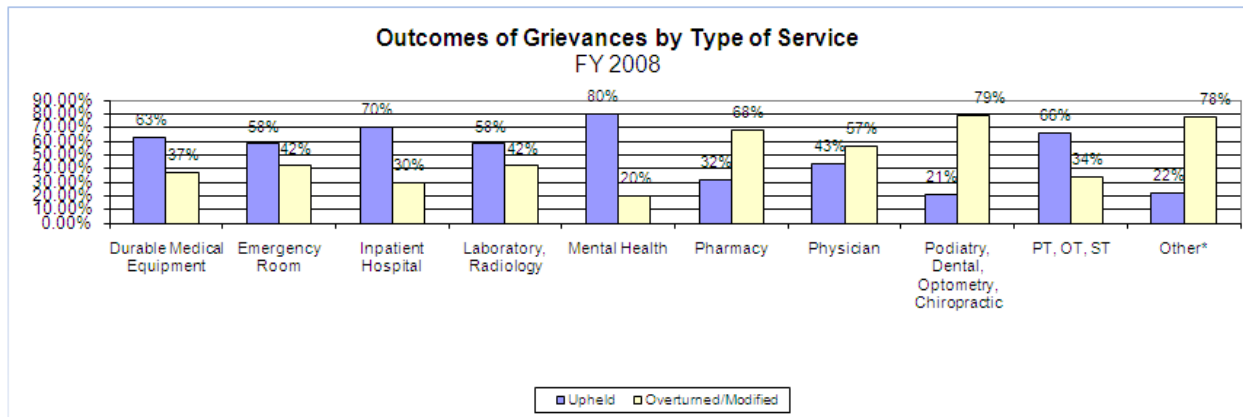
This chart compares the year to year outcomes of grievances filed with carriers.



### Carrier Grievance Data Type of Service Involved in Grievances Filed FY 2008



Carriers are required to report the type of service involved in the internal grievances they receive. The above chart details the types of services involved in internal grievances as reported by carriers in FY 2008.

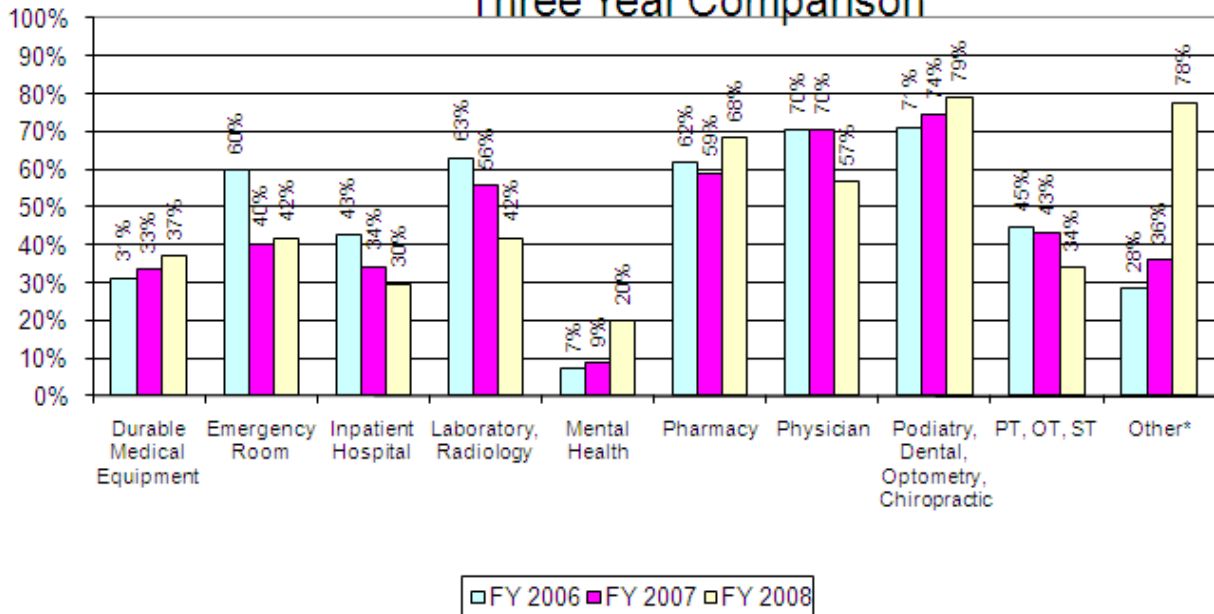


Carriers are required to identify the type of service involved in the internal grievances they receive as well as the outcomes of those grievances. This chart compares the variance in the outcome of grievances based upon the type of service being disputed in the grievance. This chart is based upon carrier reported data. The cases reported as overturned or modified have been combined to more clearly present the data. The carrier report Mental Health and Substance abuse together.

\*In both of the above charts, Other includes: Skilled Nursing Facility, Sub Acute Facility, Nursing Home, Home Health and Other cases where the Type of Service did not fit an existing category.

## Carrier Grievance Data

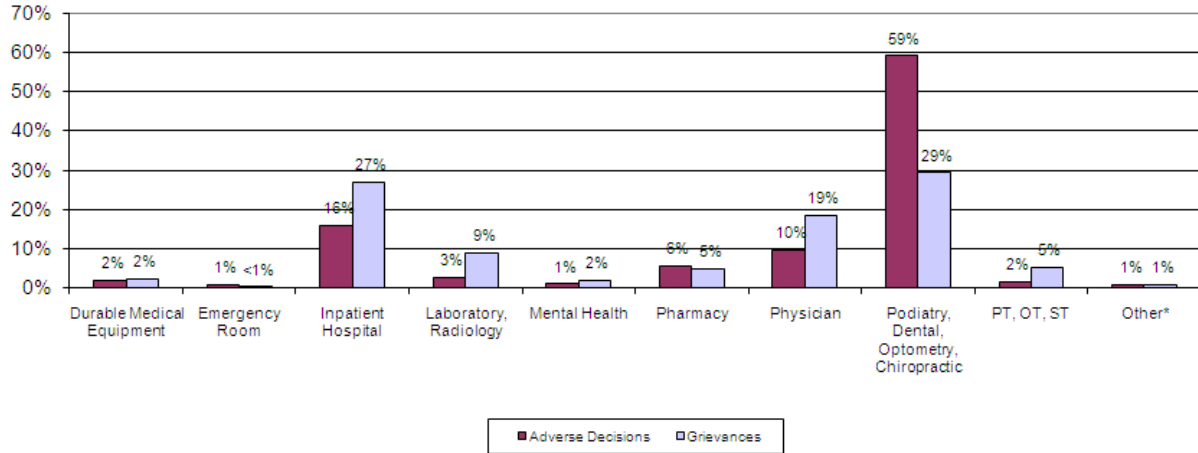
### Percentage of Grievances Overturned or Modified Three Year Comparison



This chart compares the percentage of cases reported as overturned or modified, comparing FY 2006, FY 2007, and FY 2008 outcomes as reported by the carriers.

*\*In both of the above charts, Other includes: Skilled Nursing Facility, Sub Acute Facility, Nursing Home, Home Health and Other cases where the Type of Service did not fit an existing category.*

**Carrier Data**  
**Adverse Decisions Issued vs. Grievances Filed**  
**FY 2008**



*Other includes: Skilled Nursing Facility, Sub Acute Facility, Nursing Home, Home Health and Other cases where the Type of Service did not fit an existing category.*

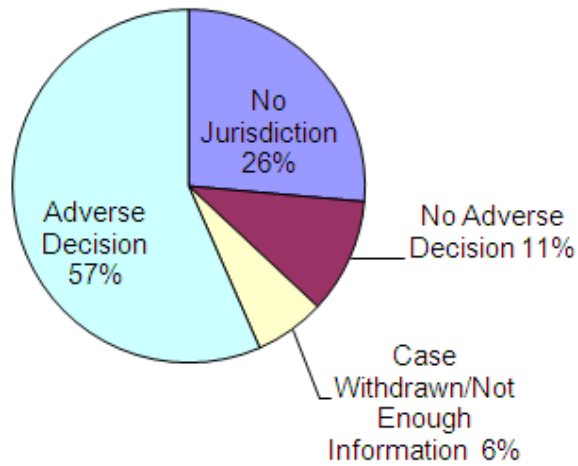
**MIA Appeals and Grievances Complaints  
Complaints Listed by Carrier  
FY 2008**

Carrier	Total	Carrier Upheld by MIA	Carrier Overturned by MIA	Carrier Modified by MIA	Carrier Reversed Itself During Investigation
Aetna Health, Inc.	8	3 38%	0 0%	0 0%	5 62%
Aetna Life Insurance Company	7	2 29%	0 0%	0 0%	5 71%
American Republic Insurance	1	1 100%	0 0%	0 0%	0 0%
Carefirst BlueChoice, Inc.	64	28 44%	1 2%	1 2%	34 54%
Carefirst of Maryland, Inc.	53	24 45%	0 10%	2 4%	27 51%
CIGNA HealthCare Mid-Atlantic,	4	0 0%	0 0%	0 0%	4 100%
Connecticut General Life Insurance Co.	4	2 50%	0 0%	0 0%	2 50%
Coventry Health Care of Delaware, Inc.	23	10 43%	0 0%	0 0%	13 57%
Denex Dental	1	0 0%	0 0%	0 0%	1 100%
Golden Rule Insurance Company	1	0 0%	0 0%	0 0%	1 100%
Group Hospitalization & Medical Services	24	8 33%	1 4%	0 0%	15 63%
Guardian Life Insurance Co.	10	4 40%	0 0%	0 0%	6 60%
Kaiser Foundation Health Plan of Mid.	16	9 56%	0 0%	0 0%	7 44%
Kaiser Permanente	3	1 33%	0 0%	0 0%	2 67%
MAMSI Life and Health Insurance Co.	39	23 59%	0 0%	0 0%	16 41%
Maryland Health Insurance Plan	13	7 54%	0 0%	0 0%	6 46%

Carrier	Total	Carrier Upheld by MIA	Carrier Overturned by MIA	Carrier Modified by MIA	Carrier Reversed Itself During Investigation
MDIPA	36	29 80%	1 3%	1 3%	5 14%
Metropolitan Life Ins. Co.	3	1 33%	0 0%	0 0%	2 67%
Optimum Choice	117	66 56%	0 0%	5 4%	46 40%
Principal Life Insurance Company	1	0 0%	0 0%	0 0%	1 100%
Unicare Life & Health	1	1 100%	0 0%	0 0%	0 0%
United Concordia Dental Plans, Inc.	3	2 67%	0 0%	0 0%	1 33%
United Concordia Life and Health Ins. Co.	1	0 0%	1 100%	0 0%	0 0%
United HealthCare Insurance Company	13	5 38%	0 0%	1 8%	7 41%
United HealthCare of the Mid-	3	1 33%	0 0%	0 0%	2 67%
<b>TOTAL</b>	<b>449</b>	<b>227 51%</b>	<b>4 1%</b>	<b>10 2%</b>	<b>208 46%</b>

## MIA Complaints FY 2008

### Complaints Reviewed by Appeals and Grievances Unit



When the MIA Appeals and Grievances Unit receives a written complaint, it reviews it to determine:

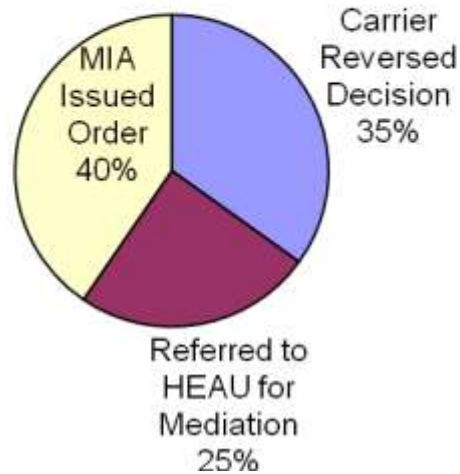
- Is the carrier subject to state jurisdiction?
- Does the complaint include a dispute of an adverse decision?

Some cases are withdrawn or there is not enough information to complete the review. This chart details the outcomes of MIA's review of cases during FY 2008.

# MIA Appeals and Grievances Complaints

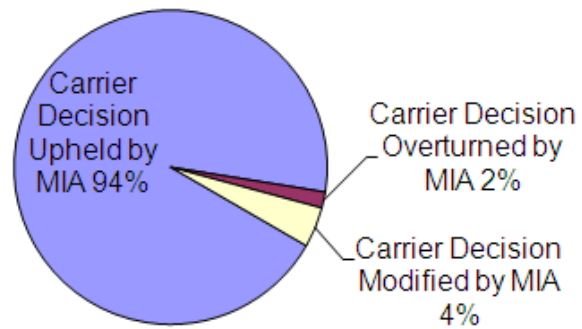
## Disposition of Complaints

### FY 2008



During FY 2008, MIA determined that 449 complaints challenged adverse decisions made by carriers that were subject to state jurisdiction. Cases in which the patient had not exhausted the carrier's internal grievance process were referred to HEAU. The remaining cases were either resolved by carriers during the review process or resulted in an MIA order.

## MIA Appeals and Grievances Complaints Results of MIA Orders FY 2008



MIA issued orders related to Appeals and Grievances Complaints during FY 2008. This chart describes the outcomes of those orders.



**MIA Appeals and Grievances Complaints**  
**Type of Service Involved in and Outcomes of Complaints**  
**FY 2008**

Type of Procedure	Total		Carrier Upheld by MIA		Carrier Overturned by MIA		Carrier Modified by MIA		Carrier Reversed Itself During Investigation	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Acupuncture	1	0%	1	100%	0	0%	0	0%	0	0%
Ancillary Services	1	0%	1	100%	0	0%	0	0%	0	0%
Chiropractic Care Services	3	1%	3	100%	0	0%	0	0%	0	0%
Cosmetic	12	3%	8	67%	0	0%	0	0%	4	33%
Denial of Claim	1	0%	0	0%	0	0%	1	100%	0	0%
Denial of Hospital Days	169	38%	103	61%	1	1%	5	3%	60	36%
Dental Care Services	19	4%	7	37%	1	5%	0	0%	11	58%
Durable Medical Equipment	12	3%	6	50%	1	8%	0	0%	5	16%
Emergency Room Denial	3	1%	2	67%	0	0%	0	0%	1	33%
Emergency Treatment Denial	1	0%	0	0%	0	0%	0	0%	1	100%
Experimental	44	10%	29	66%	0	0%	0	0%	15	34%
Home Care Services	2	0%	1	50%	0	0%	0	0%	1	50%
In-Patient Rehabilitation	2	0%	2	100%	0	0%	0	0%	0	0%
Lab, Imaging, Test Services	11	2%	4	36%	0	0%	0	0%	7	64%
Medical Food	2	0%	2	100%	0	0%	0	0%	0	0%
Mental Health/Substance Abuse (Inpatient) Services	31	7%	9	29%	1	3%	3	10%	18	46%
Mental Health/Substance Abuse (Outpatient) Services	3	1%	1	33%	0	0%	0	0%	2	67%
No Preauthorization	1	0%	0	0%	0	0%	0	0%	1	100%
Obesity Service	8	2%	6	75%	0	0%	0	0%	2	25%
Out Patient Services	1	0%	0	0%	0	0%	0	0%	1	100%
PCP Referrals	1	0%	0	0%	0	0%	0	0%	1	100%
Pharmacy Services/Formulary Issues	57	13%	18	32%	0	0%	0	0%	39	62%
Physicians Services	46	10%	19	41%	0	0%	0	0%	27	59%
PT, OT, ST Services	8	2%	4	50%	0	0%	0	0%	4	50%
Skilled Nursing Facility Care Services	6	1%	1	17%	0	0%	1	17%	4	67%
Transportation Services	4	1%	0	0%	0	0%	0	0%	4	100%
<b>TOTAL</b>	<b>449</b>	<b>100%</b>	<b>227</b>	<b>51%</b>	<b>4</b>	<b>1%</b>	<b>10</b>	<b>2%</b>	<b>208</b>	<b>46%</b>

**HEAU Appeals and Grievances Cases  
Cases Listed by Carrier  
FY 2008**

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
Aetna US Healthcare	Not State Regulated	27	18	67%	9	33%
	State Regulated	26	11	42%	15	58%
	<b>Total HEAU Complaints</b>	<b>53</b>	<b>29</b>	<b>55%</b>	<b>24</b>	<b>45%</b>
Anthem Blue Cross Blue Shield	Not State Regulated	1	1	100%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>1</b>	<b>50%</b>	<b>1</b>	<b>50%</b>
Anthem Blue Cross Blue Shield PPO	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
APS HealthCare	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Assurant Health	Not State Regulated	1	1	100%	0	0%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Aventist Healthcare	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Blue Cross Blue Shield Federal Employee Program	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Blue Cross Blue Shield of Illinois	Not State Regulated	2	2	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Blue Cross Blue Shield of Maryland	Not State Regulated	2	2	100%	0	0%
	State Regulated	3	1	33%	2	67%
	<b>Total HEAU Complaints</b>	<b>5</b>	<b>3</b>	<b>60%</b>	<b>2</b>	<b>40%</b>
Capital BlueCross	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

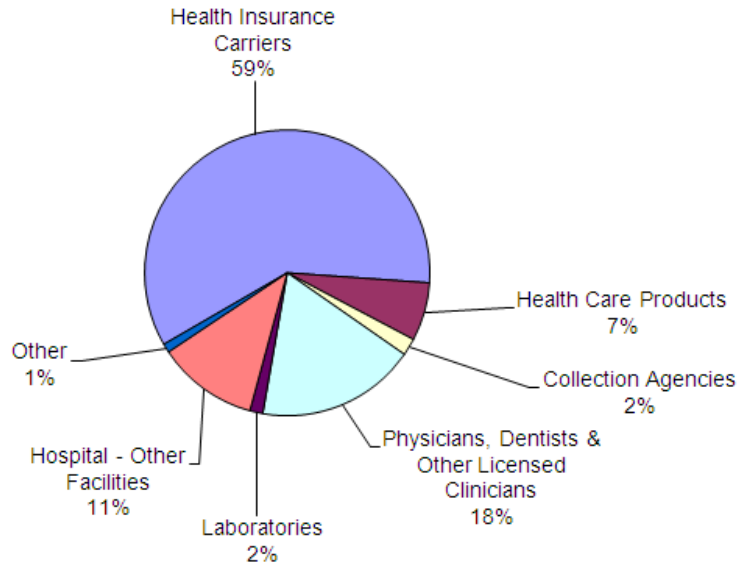
HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
CareFirst	Not State Regulated	32	24	75%	8	25%
	State Regulated	88	43	49%	45	51%
	<b>Total HEAU Complaints</b>	<b>120</b>	<b>67</b>	<b>56%</b>	<b>53</b>	<b>44%</b>
Carefirst Blue Cross Blue Shield	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Carefirst BlueChoice	Not State Regulated	9	4	44%	5	56%
	State Regulated	23	11	48%	12	52%
	<b>Total HEAU Complaints</b>	<b>32</b>	<b>15</b>	<b>47%</b>	<b>17</b>	<b>53%</b>
Caremark	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
CIGNA	Not State Regulated	5	5	100%	0	0%
	State Regulated	4	1	25%	3	75%
	<b>Total HEAU Complaints</b>	<b>9</b>	<b>6</b>	<b>67%</b>	<b>3</b>	<b>33%</b>
CoreSource, A Trustmark Company	Not State Regulated	2	2	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Corporate Benefit Services of America, Inc.	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Coventry Health Care	Not State Regulated	2	0	0%	2	100%
	State Regulated	13	8	62%	5	38%
	<b>Total HEAU Complaints</b>	<b>15</b>	<b>8</b>	<b>53%</b>	<b>7</b>	<b>47%</b>
Delta Dental of Pennsylvania	Not State Regulated	3	1	33%	2	67%
	State Regulated	2	0	0%	2	100%
	<b>Total HEAU Complaints</b>	<b>5</b>	<b>1</b>	<b>20%</b>	<b>4</b>	<b>80%</b>
DeltaCare USA	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Denex Dental	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Dental Benefit Providers, Inc.	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
Elder Health Maryland, HMO, Inc.	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Empire Blue Cross Blue Shield	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Express Scripts Pharmacy Plan	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Federal Employee Benefits Program	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
FELRA & UFCW Health and Welfare Fund	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Fidelity Insurance Company	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Fiserve Health	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Golden Rule Insurance	Not State Regulated	1	1	100%	0	0%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Graphic Arts Benefit Corporation	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Guardian Life Insurance Company of America	Not State Regulated	2	2	100%	0	0%
	State Regulated	2	1	50%	1	50%
	<b>Total HEAU Complaints</b>	<b>4</b>	<b>3</b>	<b>75%</b>	<b>1</b>	<b>25%</b>
Healthscope Benefits	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Highmark Blue Cross Blue Shield	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
Independence Blue Cross Blue Shield	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
John Hopkins EHP	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Johns Hopkins Employer Health Programs	Not State Regulated	2	0	0%	2	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>100%</b>
Kaiser Permanente	Not State Regulated	1	1	100%	0	0%
	State Regulated	8	5	63%	3	38%
	<b>Total HEAU Complaints</b>	<b>9</b>	<b>6</b>	<b>67%</b>	<b>3</b>	<b>33%</b>
Legionnaire Insurance Trust Program	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
MAMSI Life & Health Insurance Company	Not State Regulated	6	4	67%	2	33%
	State Regulated	3	3	100%	0	37%
	<b>Total HEAU Complaints</b>	<b>9</b>	<b>7</b>	<b>78%</b>	<b>2</b>	<b>22%</b>
Maryland Electrical Industry Funds	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Maryland Health Insurance Plan (MHIP)	Not State Regulated	1	0	0%	1	100%
	State Regulated	5	0	0%	5	100%
	<b>Total HEAU Complaints</b>	<b>6</b>	<b>0</b>	<b>0%</b>	<b>6</b>	<b>100%</b>
MDIPA	Not State Regulated	3	1	33%	2	67%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>4</b>	<b>2</b>	<b>50%</b>	<b>2</b>	<b>50%</b>
Mega Life & Health Insurance	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
MetLife	Not State Regulated	3	2	67%	1	33%
	State Regulated	10	4	40%	6	60%
	<b>Total HEAU Complaints</b>	<b>13</b>	<b>6</b>	<b>46%</b>	<b>7</b>	<b>54%</b>
NCAS	Not State Regulated	2	1	50%	1	50%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>3</b>	<b>1</b>	<b>33%</b>	<b>2</b>	<b>67%</b>

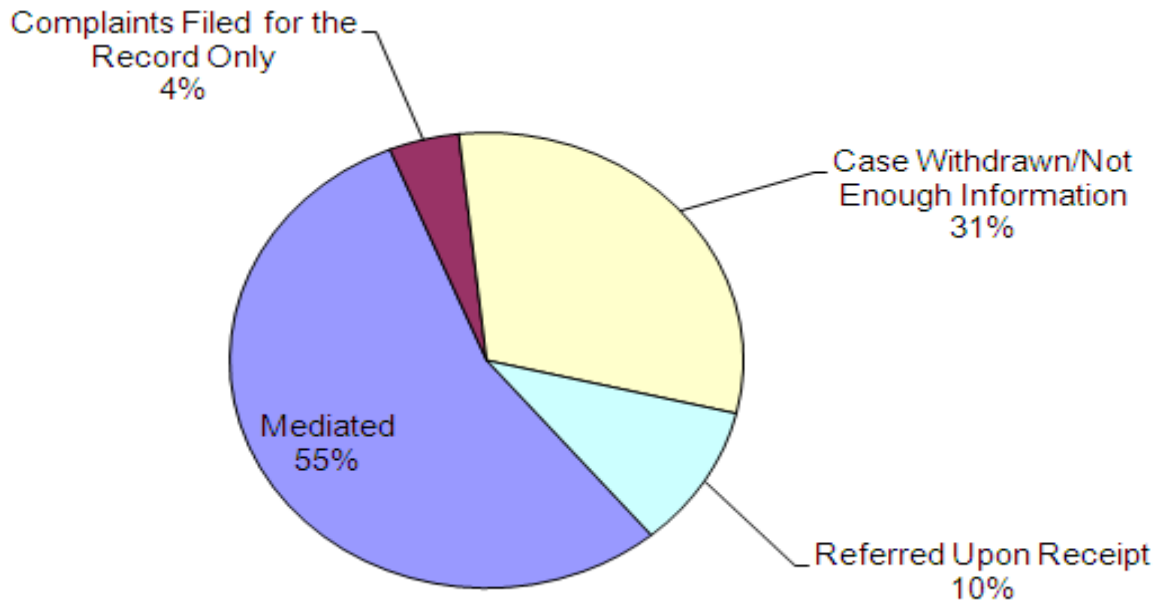
HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
OneNet	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Optimum Choice	Not State Regulated	8	6	75%	2	25%
	State Regulated	22	12	55%	10	45%
	<b>Total HEAU Complaints</b>	<b>30</b>	<b>18</b>	<b>60%</b>	<b>12</b>	<b>40%</b>
Preformax	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
UNICARE	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
United Concordia Companies, Inc.	<b>Not State Regulated</b>	<b>5</b>	<b>3</b>	60%	<b>2</b>	40%
	<b>State Regulated</b>	<b>16</b>	<b>12</b>	75%	<b>4</b>	25%
	<b>Total HEAU Complaints</b>	<b>21</b>	<b>15</b>	<b>71%</b>	<b>6</b>	<b>29%</b>
United Healthcare	Not State Regulated	9	6	67%	3	33%
	State Regulated	25	7	28%	18	72%
	<b>Total HEAU Complaints</b>	<b>34</b>	<b>13</b>	<b>38%</b>	<b>21</b>	<b>62%</b>
<b>Total</b>	Not State Regulated	151	106	70%	45	30%
	State Regulated	262	125	48%	137	52%
	<b>Total HEAU Complaints</b>	<b>413</b>	<b>231</b>	<b>56%</b>	<b>182</b>	<b>44%</b>

## HEAU Cases Who Are Cases Filed Against? FY 2008



The HEAU mediates several types of patient disputes with health care providers and health insurance carriers. Most complaints involve provider billing or insurance coverage issues, but HEAU cases also involve helping patients obtain copies of their medical records, mediating disputes related to sales and service problems with health care products and assisting patients with various other problems encountered in the healthcare marketplace. This chart shows the types of industries against which complaints were filed with HEAU during FY 2008.

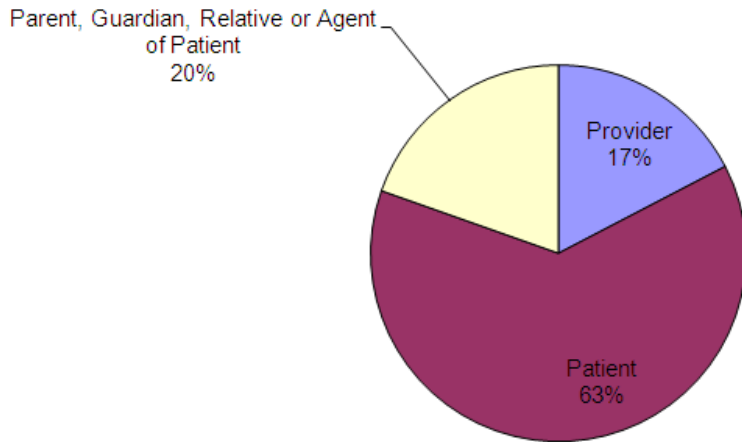
## HEAU Appeals and Grievances Cases Disposition of Cases FY 2008



The HEAU closed 709 cases related to patients who disputed carrier adverse decisions. However, not all of these cases were mediated by HEAU. Some of these cases were mediated, some are filed for the record only and others are resolved by patients without direct HEAU assistance. This chart shows the disposition of all Appeals and Grievances cases closed by HEAU during FY 2008.

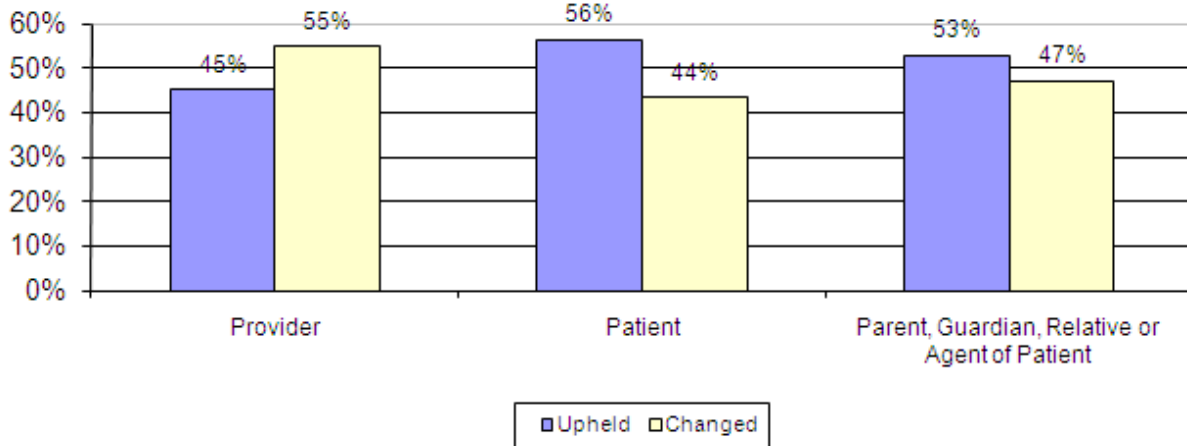


**HEAU Appeals and Grievances Cases**  
**Who Filed Case?**  
**FY 2008**



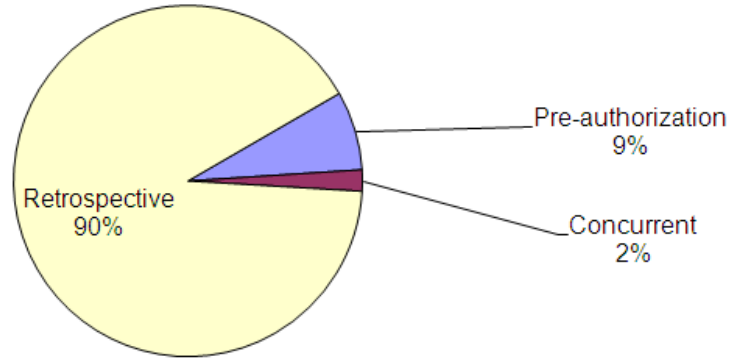
Cases may be filed on behalf of patients by providers, parents, relatives or other agents of patients. The above chart indicates who filed cases with HEAU.

**Outcomes Based Upon Who Filed Case**  
**FY 2008**



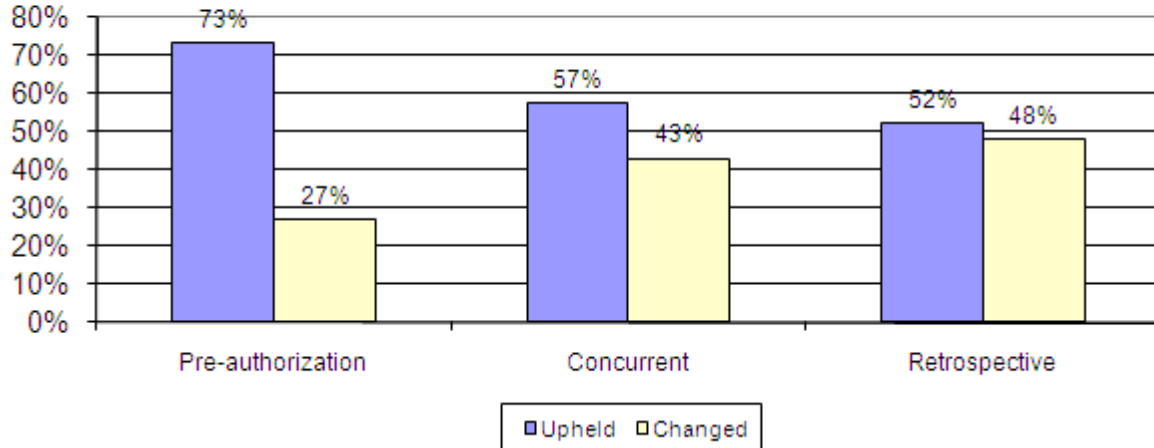
This chart shows the outcome of Appeals and Grievances Cases mediated by HEAU during FY 2008. Cases resulting in carriers overturning or modifying adverse decisions have been combined for this chart.

**HEAU Appeals and Grievances Cases**  
 Timing of Adverse Decision  
 FY 2008



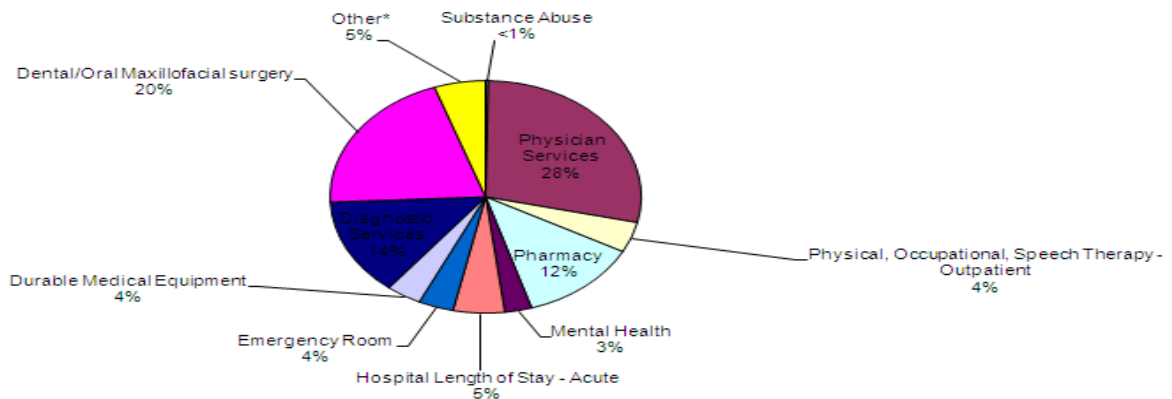
Carriers may issue adverse decisions before (pre-authorization), during (concurrent) or after (retrospective) treatment. This chart indicates when the adverse decisions were issued in Appeals and Grievances Cases mediated by HEAU during FY 2008.

**Outcomes Based Upon Timing of Adverse Decision**  
 FY 2008



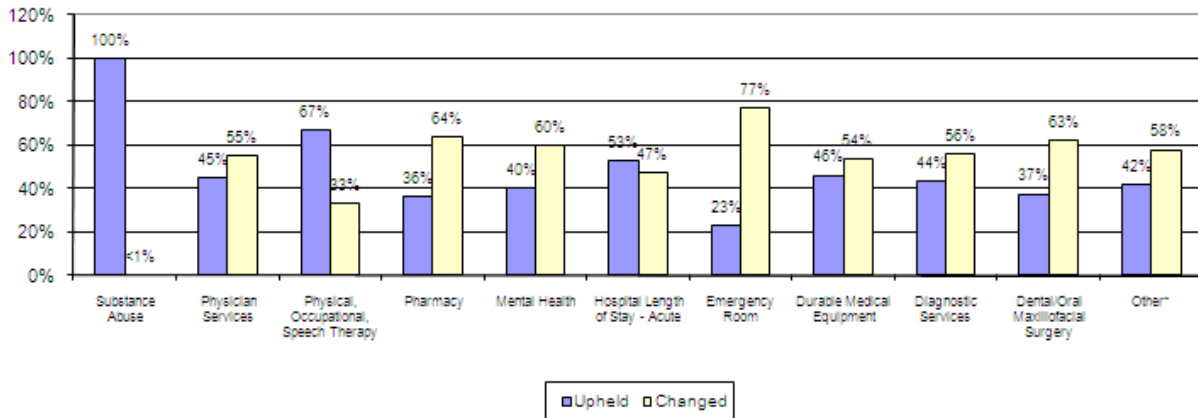
This chart shows the outcomes of Appeals and Grievances Cases mediated by HEAU during FY 2008.

**HEAU Appeals and Grievances Cases**  
Type of Service Involved in Cases  
FY 2008



The above chart identifies the types of services involved in Appeals and Grievances cases mediated by HEAU during FY 2008.

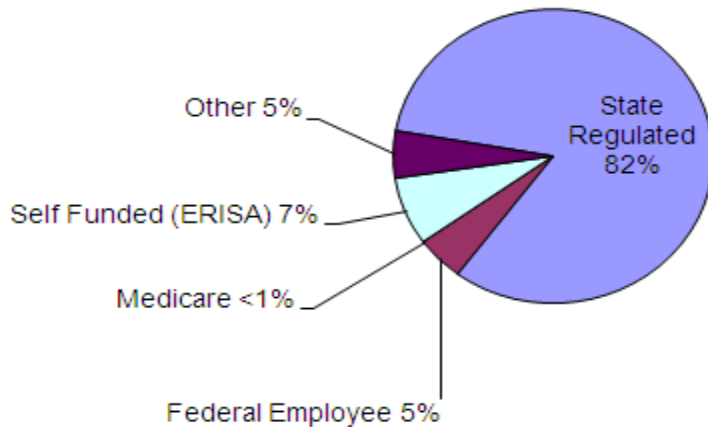
**Outcomes of Cases by Type of Service**  
FY 2008



This chart shows the outcomes of Appeals and Grievances cases mediated by HEAU during FY 2008. It shows how the outcome varies based upon the types of services involved in the cases. Cases resulting in carriers overturning or modifying adverse decisions have been combined for this chart.

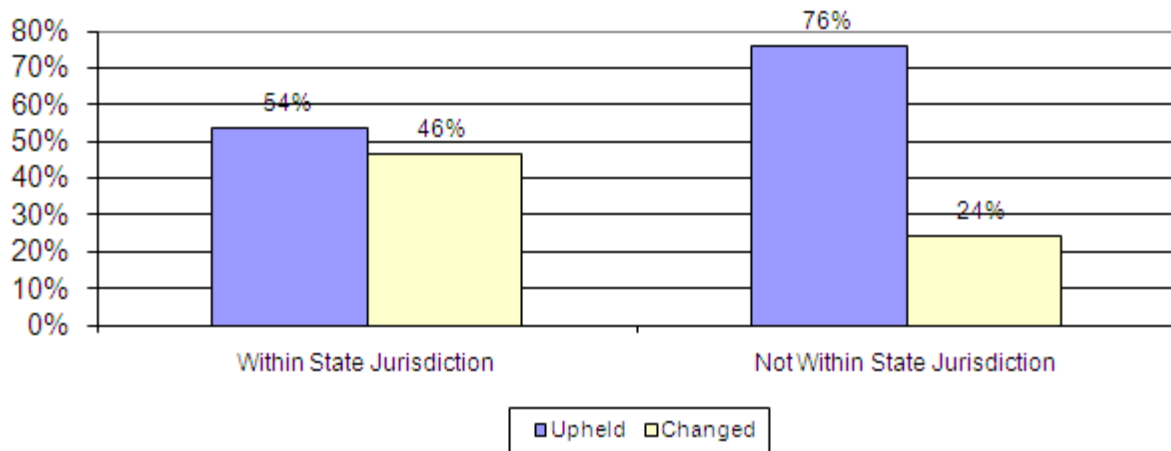
*\* In both of the above charts, Other includes: Acupuncture, Chiropractic Habilitative Services, Home Health, Inpatient Rehabilitations – Subacute stay, Optometry, Products and Supplements, Skilled Nursing Facility, Transport and Other cases where the Type of Service did not fit an existing category.*

## HEAU Appeals and Grievances Cases Types of Carrier FY 2008



The above chart identifies the types of carriers involved in the Appeals and Grievances cases mediated by HEAU during FY 2008.

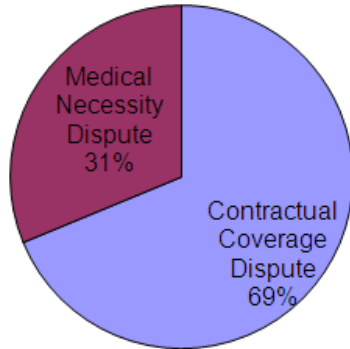
## Outcomes of Cases by Regulatory Authority FY 2008



This chart shows the outcomes of Appeals and Grievances cases mediated by HEAU during FY 2008. It shows how the outcome varies based on whether the carrier is within State jurisdiction.

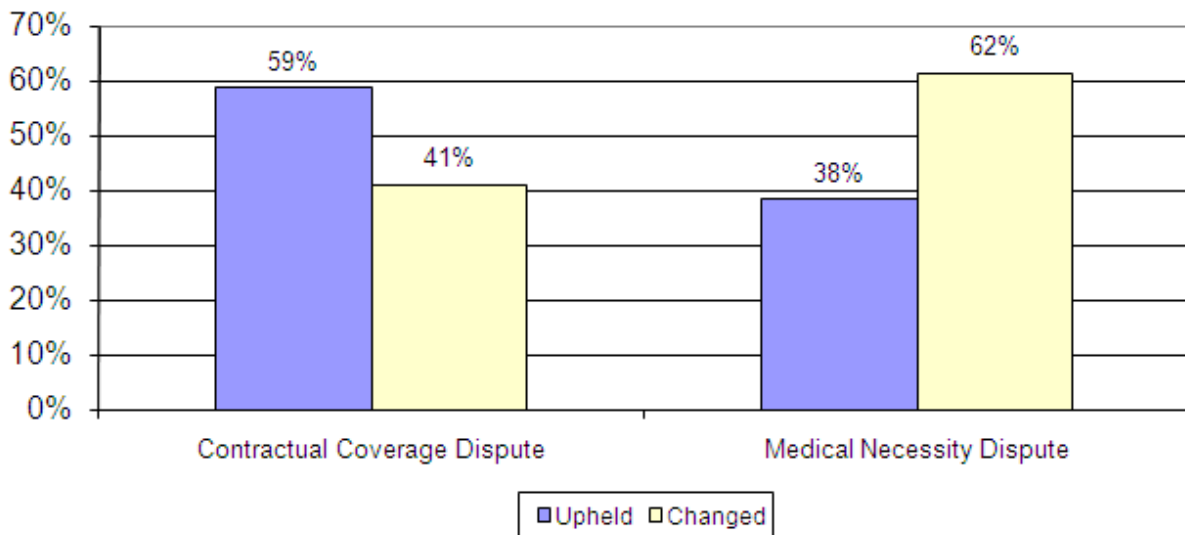
*\* Carriers not within state jurisdiction may include Self-insured, Federal Employee, Medical Assistance, Medicare, Military and Out-of-State plans.*

**HEAU Appeals and Grievances Cases**  
**Outcomes of Cases by Type of Decision**  
 FY 2008



The above chart identifies the percentages of medical necessity and contractual coverage disputes for the Appeals and Grievance cases mediated by HEAU during FY 2008.

**Outcomes of Cases by Type of Decision**  
 FY 2008



This chart compares the outcomes of medical necessity and contractual coverage disputes.