



**State of Maryland
OFFICE OF THE ATTORNEY GENERAL**

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

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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 Law¹ (hereinafter referred to as the Appeals and Grievances Law) as required by the Maryland General Assembly.² 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 2005, beginning July 1, 2004 and concluding on June 30, 2005. 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.

The following is an area of concern identified by an analysis of the cases filed under the Appeals and Grievances Law:

- *Patients receiving care at a participating hospital may incur significant financial liability if some of the care is provided by hospital-based physicians not participating in their health plan.*

¹Md. Code Ann., Insurance §15-10A-01 through §15-10A-09.

²Report 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,"³ 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 patient⁴ 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.

³Md. Code Ann., Insurance §15-10D-01 through §15-10D-04.

⁴Throughout 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.⁵ 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.

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

⁵Health 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.

HEAU's 2003 Annual Report contained the first full year of adverse decision data.

Carrier Statistics FY 2005

In addition to the highlights below, charts providing statistical detail from the data submitted by the carriers appear on pages 13-18 of this report.

1. Carriers reported 38,561 adverse decisions in FY 2005. The carriers administratively reversed 236 of these adverse decisions, or less than 1%.
2. Carriers report 5,937 internal grievances were filed in FY 2005, a 1% increase from the grievances filed in FY 2004. Since carriers are not required to report membership numbers, it cannot be determined if the decrease in grievances filed represents a decrease 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 45% of the grievances and modified their determinations in 8% of the grievances filed. This represents neither an increase nor a decrease from FY 2004, when carriers reported changing 53% 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 pharmacy, radiology/laboratory services, and emergency room services much more likely to be reversed than adverse decisions involving mental health care and inpatient hospital services.
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 2005 carriers reported an overturned or modified rate of 9% for mental health and substance abuse; this represents the lowest reported result since starting our annual report in FY1999. This is a 8% decrease from the FY2004 Annual Report.

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 2005

In addition to the highlights listed below, charts providing statistical detail of the disposition of MIA cases appear on pages 19-24 of this report.

1. The Appeals and Grievances Unit of MIA reviewed a total of 1,056 cases that were filed between July 1, 2004 and June 30, 2005.
2. After reviewing these cases, MIA determined that 586 involved adverse decisions issued by health insurance carriers they regulated.
3. Of the 586 meeting the above criteria, MIA referred 195 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 391 cases in which patients challenged the grievance decision of their health insurance carrier.
5. During FY 2005, MIA issued 242 orders in cases related to carrier decisions in appeal and grievance cases.
6. Of the 242 orders issued, MIA upheld 195 or 80.5% of the carrier decisions, overturned 40 or 16.5% of the decisions, and modified 7 or 3% 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 2005

In addition to the highlights listed below, charts providing statistical detail of the disposition of HEAU cases appear on pages 25-35 of this report.

1. HEAU closed 1,981 cases during FY 2005.
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 56% contractual denials and 44% medical necessity denials.
3. HEAU mediation resulted in 36% of the contractual denial cases being overturned or modified by the carrier; 78% of the medical necessity denial cases were overturned or modified.
4. HEAU assisted patients in obtaining more than \$892,843.00 in claims payments in mediated appeal and grievance cases in FY 2005, bringing the total to more than \$6.95 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 67% 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 33% of the time.

VI. Areas of Concern

The United States Congress is considering Senate Bill 1955 - Health Insurance Marketplace Modernization and Affordability Act of 2005 which, if passed, may reduce the protections Maryland consumers receive regarding mandated benefits. It may also affect Marylanders rights in contesting coverage denials by carriers and HMO's.

The United States Congress is currently considering a bill that proposes to reform the insurance industry in three ways: (1) modifying the rules regarding Small Business Health Plans; (2) providing for certain near-term changes in insurance regulation; and, (3) establishing a harmonization commission to develop uniform standards for insurance regulation in the areas of rating, consumer protections and access to coverage.

The first two proposals may reduce the benefits that carriers in this state are required to offer. Currently, the State of Maryland mandates that a variety of benefits must be provided to a consumer. These benefits range from general health care screenings such as coverage for mammograms, routine gynecological care and child wellness services to specific benefits such as treatment for cleft lip and/or cleft palate, coverage for prostheses and habilitative services such as occupational and speech therapy.

If passed, the federal bill will modify the rules governing Small Business Health Plans by allowing them to eliminate benefits mandated by the states from their plans. A Small Business Health Plan must offer a mandated benefit only if that benefit is mandated in at least forty-five (45) states; however, if less than forty-five (45) states mandate a benefit, the Small Business Health Plan may opt out of offering that particular benefit.

Similarly, the bill would allow insurers selling health plans to eliminate current benefits mandated by states from their plans. The bill would require the Secretary of the Department of Health and Human Services to promulgate a list of mandated benefits. If the Secretary determines that at least forty-five (45) states already mandate a particular service or benefit, that service or benefit will be on the list of mandated benefits. States that adopt the federal list of mandated benefits would not be able to impose any other mandated benefit requirements upon insurers. Even if a state does not adopt the federal list of mandated benefits, it would not be able to prohibit an insurer from offering coverage consistent with the federal list of mandated benefits.

If this federal bill passes it is likely that many Marylanders purchasing health benefits will not receive all the benefits the current state law mandates.

The Regulatory Harmonization section in the federal bill is intended to harmonize inconsistent State health insurance laws to match the laws adopted in a plurality of the States. If the bill passes, a commission will be created to address certain areas of insurance regulation and issue model standards. The areas the harmonized standards will encompass include access to coverage and patient protections, including internal appeals and external appeals, direct access to providers and prompt payment of claim. States would have two years to determine whether to adopt these

harmonized standards. However, even if a state didn't adopt the standards, a carrier would still be able to sell insurance in that state as long as it followed the federal standards.

VII. Conclusion

Maryland's Appeals and Grievances Law continues to provide significant assistance to patients challenging health insurance adverse decisions. In past years enhancements to the 1999 Appeals and Grievance Law improved patient access to HEAU and MIA assistance by requiring better notices to patients, lengthening patient deadlines, and broadening the scope of the types of denials covered.

Still, we must be aware of possible barriers to coverage for consumers posed by proposed federal action. Currently, Maryland consumers are entitled to a variety of benefits that have been mandated by the General Assembly and enjoy significant protections via an appeals process that provides oversight of insurance companies to ensure that consumers are provided with the benefits enumerated in their contracts. In some cases, the Insurance Commissioner has the ability to overturn an insurance company's denial of a service or benefit to a consumer. Many of these protections will likely be eliminated if the federal bill in its current form passes.

VIII. Appendix

Carrier Data

Reported by Carriers

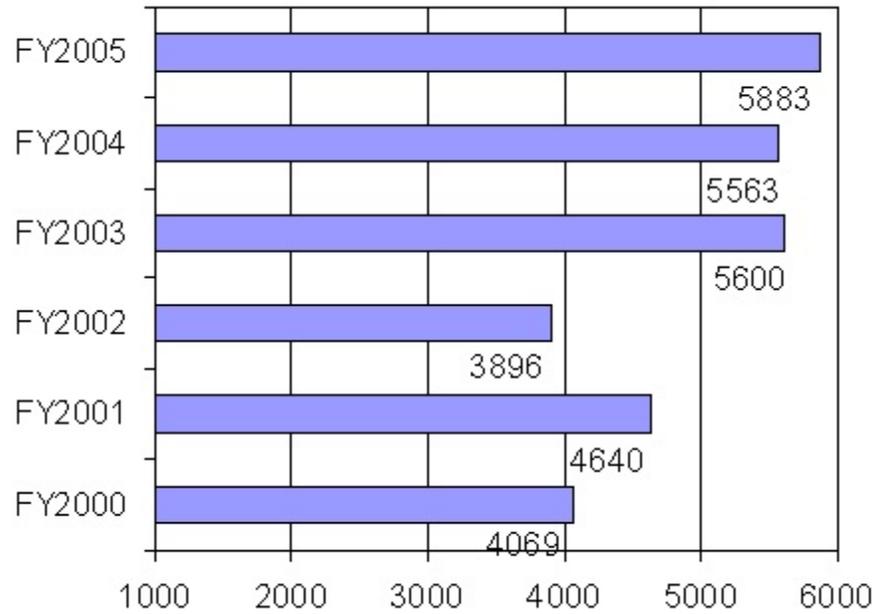
Fiscal Year 2005

Carrier	Adverse Decisions		Grievances Filed		
	Total	Admin. Reversal	Total	Upheld	Overturned/Modified
Aetna Life Insurance Company	394	14	16	63%	38%
Aetna U.S. Healthcare - Largo, MD	2826	96	310	39%	61%
American Medical Security Life Insurance Company	41	41	0	0%	0%
Ameritas Life Insurance Corporation	17	1	8	88%	13%
BCS Insurance Company	0	0	1	100%	0%
CareFirst BlueChoice, Inc.	7250	2	1199	40%	60%
CareFirst of Maryland Inc.	9481	9	857	48%	52%
Celtic Insurance Company	1	1	0	0%	0%
CIGNA Dental Health of Maryland, Inc.	577	0	15	40%	60%
CIGNA Healthcare Mid-Atlantic, Inc.	544	0	145	35%	65%
Companion Life Insurance Company	40	1	12	8%	92%
Connecticut General Life Insurance Co.	1432	0	262	35%	65%
Coventry Health Care of Delaware	390	0	30	80%	20%
Dental Benefit Providers of MD, Inc.	1773	0	424	33%	67%
Fidelity Insurance Company	168	0	151	62%	38%
Fortis Benefits Insurance Company	4	2	12	100%	0%
Fortis Health	7	0	3	33%	67%
Golden Rule Insurance Company	6	2	6	67%	33%
Group Dental Service of Maryland, Inc.	2966	0	18	44%	56%
Group Hospitalization & Medical Services, Inc. t/a Carefirst Blue Cross	2520	0	394	39%	61%
Guardian Life Insurance Co. of America	880	25	265	43%	57%
Humana Dental Insurance Company	11	0	2	50%	50%

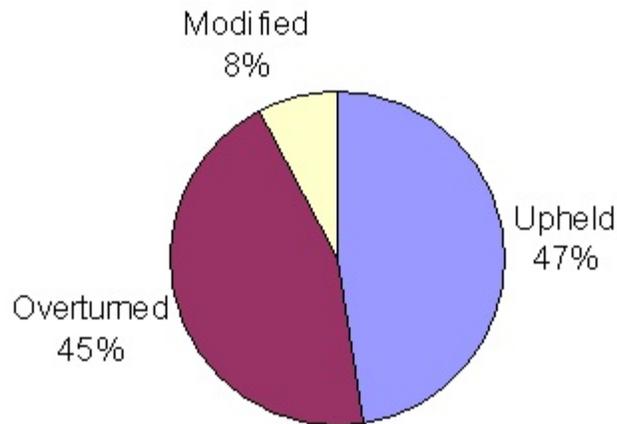
Carrier	Adverse Decisions		Grievances Filed		
	Total	Admin. Reversal	Total	Upheld	Overturned/Modified
Humana Insurance Company	0	0	1	0%	100%
Jefferson Pilot Financial Insurance Co.	25	5	8	88%	13%
Kaiser Permanente	687	10	134	43%	57%
MAMSI Life and Health Insurance Co.	1519	0	363	56%	44%
MD-Individual Practice Association, Inc.	722	0	188	57%	43%
Nationwide Life Insurance Company	1	1	0	0%	0%
Optimum Choice, Inc.	3814	0	971	64%	36%
Preferred Health Network - HMO, Inc.	18	0	3	100%	0%
Reliance Standard Life	3	2	0	0%	0%
Standard Insurance Company	4	2	4	25%	75%
The Mega Life and Health Insurance Co.	1	1	18	67%	33%
Trustmark Insurance Company	1	0	0	0%	0%
Trustmark Life Insurance Company	6	0	0	0%	0%
UNICARE Life and Health Insurance Co.	163	2	21	48%	52%
Unimerica Insurance Company	3	0	0	0%	0%
Union Labor Life Insurance Company	2	0	1	100%	0%
United Concordia Dental Plans, Inc.	1	0	1	100%	0%
United Concordia Insurance Company	1	0	1	0%	100%
United Concordia Life and Health Insurance Company	56	0	29	7%	93%
United HealthCare Insurance Company	105	0	37	0%	0%
United Healthcare of the Mid-Atlantic, Inc.	68	0	19	100%	0%
United of Omaha Life Insurance Co.	6	0	6	17%	83%
United States Life Insurance Company	5	1	2	0%	100%
United Wisconsin Life Insurance Co.	22	18	0	0%	0%
Total	38561	236	5937	47%	53%

Carrier Data Grievances Filed Six Year Comparison

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

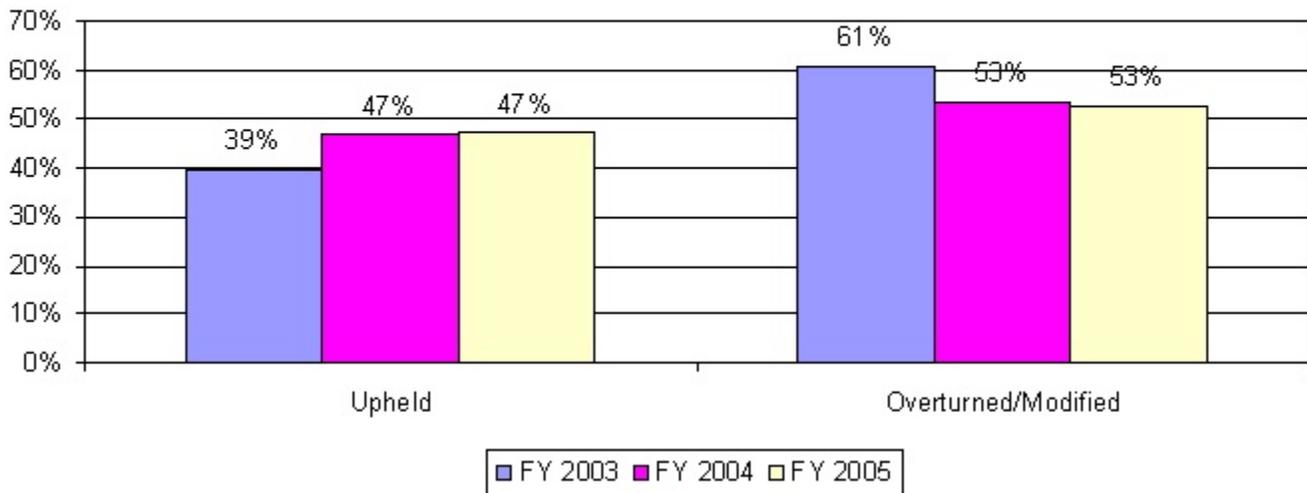


Carrier Grievance Data Outcomes of Grievances Filed FY 2005



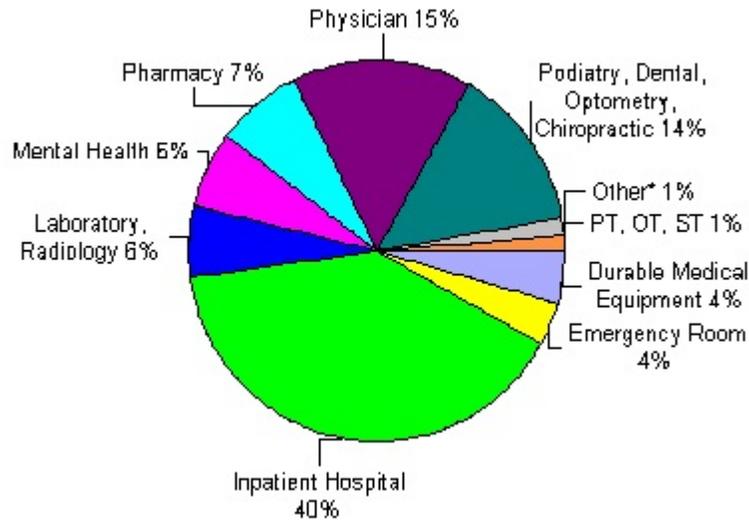
This chart describes the outcomes of the 5937 internal grievances reported by carriers during FY 2005.

Outcomes of Grievances Filed Three Year Comparison



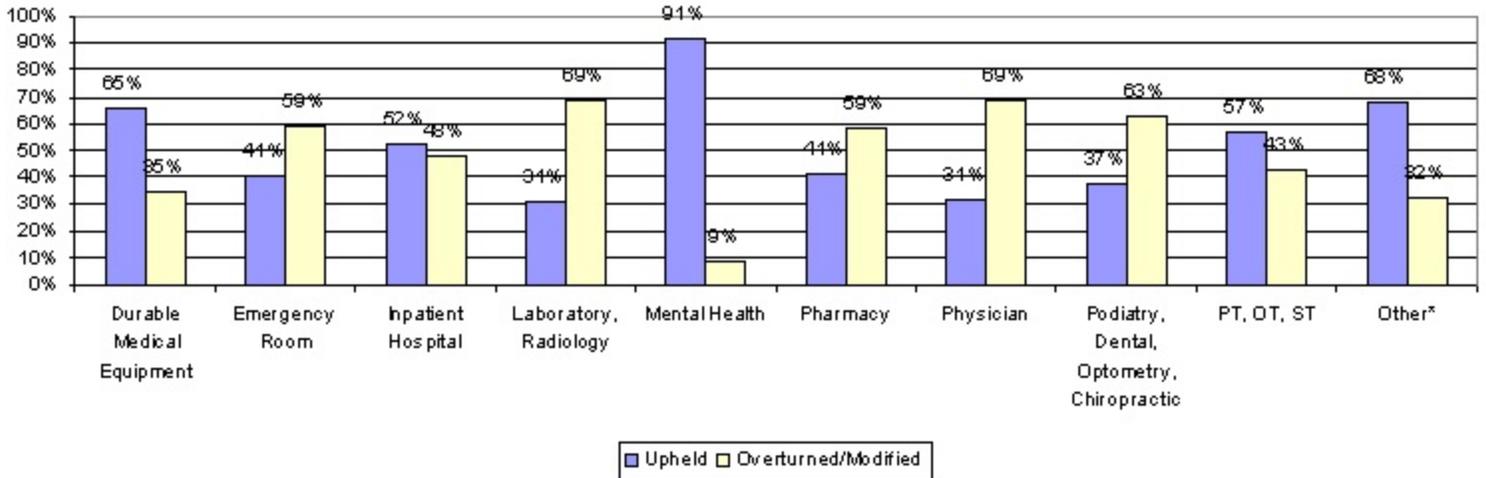
This chart compares the year to year outcomes of grievances filed with carriers.

Carrier Grievance Data
 Type of Service Involved in Grievances Filed
 FY 2005



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 2005.

Outcomes of Grievances by Type of Service
 FY 2005

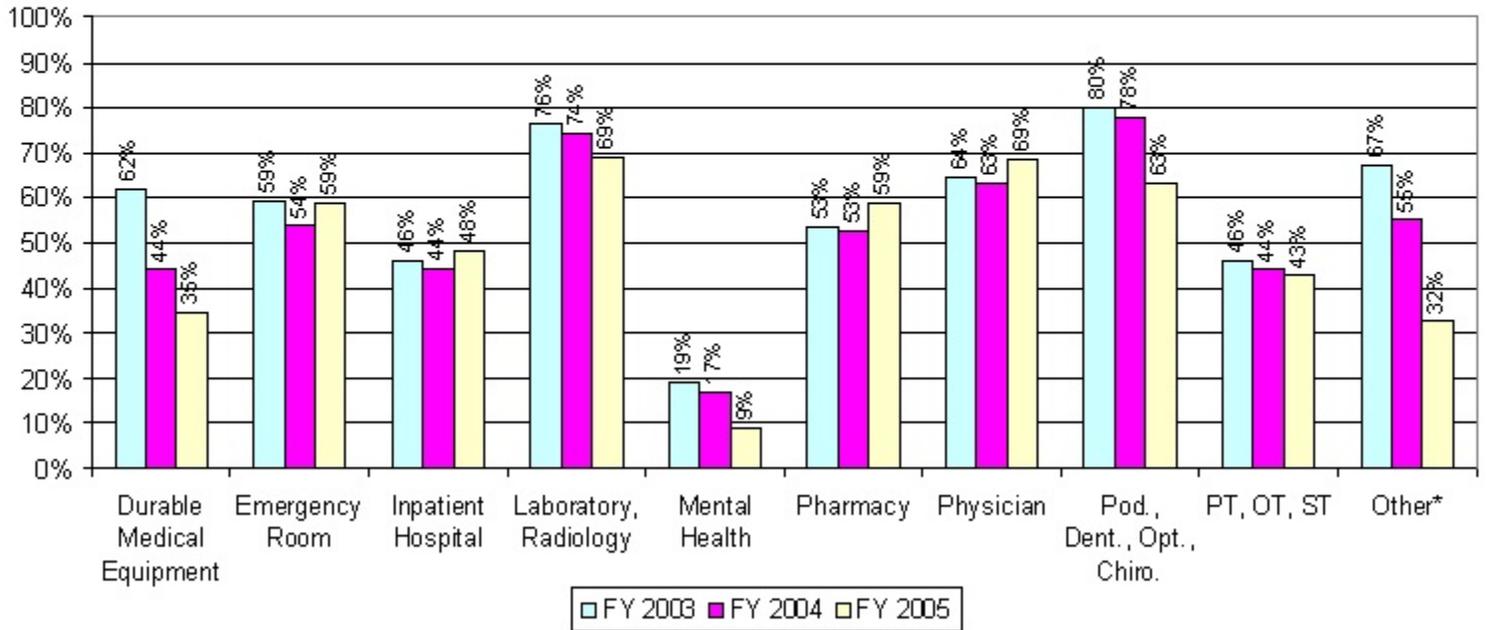


Carriers are required to identify the type of service involved in the internal grievances they receive as well as the outcomes of those grievances. This chart compares the variance in the outcome of grievances based upon the type of service being disputed in the grievance. This chart is based upon carrier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



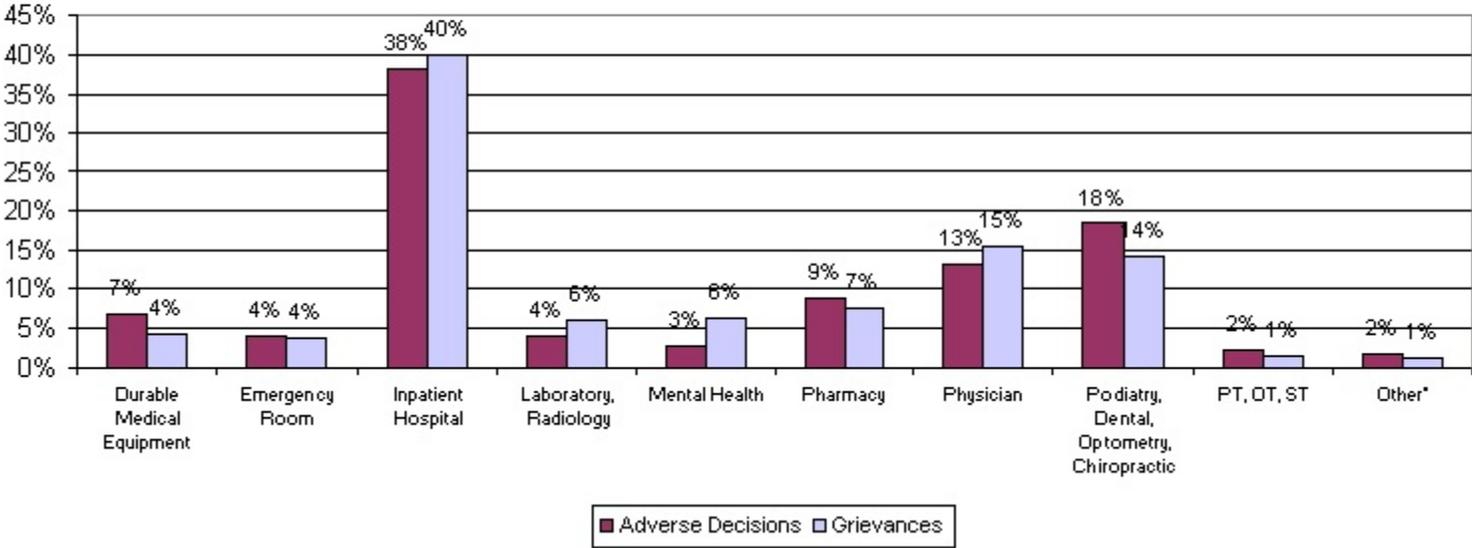
This chart compares the percentage of cases reported as overturned or modified, comparing FY 2003, FY 2004, and FY 2005 outcomes as reported by the carriers.

* 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 2005



* 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

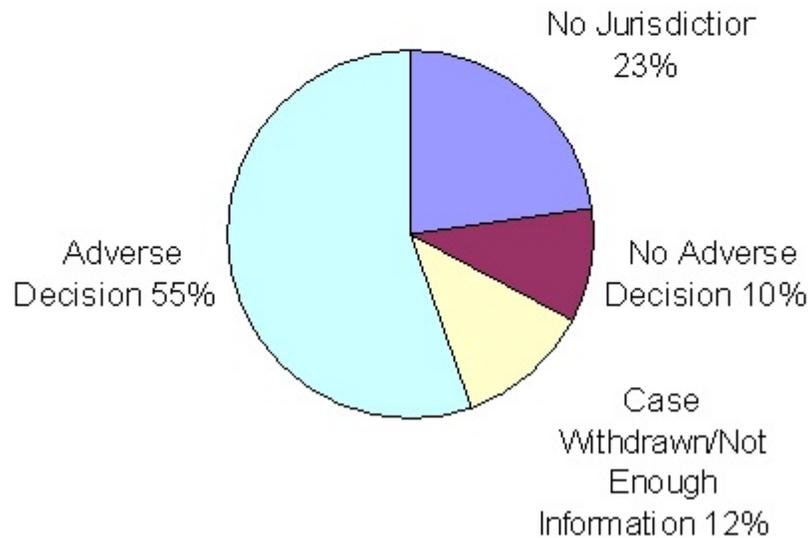
FY 2005

Carrier	Total	Carrier Upheld by MA	Carrier Overturned by MA	Carrier Modified by MA	Carrier Reversed Itself During Investigation
Aetna Health, Inc.	11	4 36%	0 0%	0 0%	7 64%
American Republic	1	1 100%	0 0%	0 0%	0 0%
BlueChoice, Inc.	56	24 43%	5 9%	2 4%	25 45%
CareFirst of Maryland, Inc.	84	42 50%	5 6%	2 2%	35 42%
CIGNA Dental Health of Maryland	2	1 50%	0 0%	0 0%	1 50%
CIGNA HealthCare Mid-Atlantic	7	1 14%	2 29%	0 0%	4 57%
Connecticut General Life Ins. Co.	1	0 0%	0 0%	0 0%	1 100%
Coventry Health Care of Delaware	8	6 75%	0 0%	0 0%	2 25%
Dental Benefit Providers of Maryland	1	0 0%	0 0%	0 0%	1 100%
Fidelity Insurance Company	9	5 56%	0 0%	0 0%	4 44%
Fortis Health	2	1 50%	1 50%	0 0%	0 0%
Group Dental Service of MD, Inc.	1	0 0%	0 0%	0 0%	1 100%
Group Hospitalization & Medical Services	9	4 44%	1 11%	1 11%	3 33%
Guardian Life Insurance Co.	12	3 25%	2 17%	0 0%	7 58%
Highmark BlueCross Blueshield	1	0 0%	0 0%	0 0%	1 100%
Kaiser Permanente	19	10 53%	1 5%	0 0%	8 42%
Maryland Health Insurance Plan	17	0 0%	0 0%	0 0%	17 100%
MAMSI Life & Health Insurance Co.	37	23 62%	6 16%	1 3%	7 19%
MD IPA	18	9 50%	4 22%	1 6%	4 22%
Medco Health Solutions	1	0 0%	0 0%	0 0%	1 100%
MEGA Life & Health Insurance Co.	1	0 0%	0 0%	0 0%	1 100%
Metropolitan Life Ins. Co.	1	0 0%	0 0%	0 0%	1 100%

Carrier	Total	Carrier Upheld by MIA		Carrier Overtumed by MIA		Carrier Modified by MIA		Carrier Reversed Itself During Investigation	
Optimum Choice	84	56	67%	11	13%	0	0%	17	20%
PHN-HMO	2	0	0%	2	100%	0	0%	0	0%
Unicare Life & Health	1	1	100%	0	0%	0	0%	0	0%
United Concordia	2	2	100%	0	0%	0	0%	0	0%
United HealthCare of Mid-Atlantic	2	1	50%	0	0%	0	0%	1	50%
United HealthCare Insurance Co.	1	1	100%	0	0%	0	0%	0	0%
TOTAL	391	195	50%	40	10%	7	2%	149	38%

MIA Complaints FY 2005

Complaints Reviewed by Appeals and Grievances Unit



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

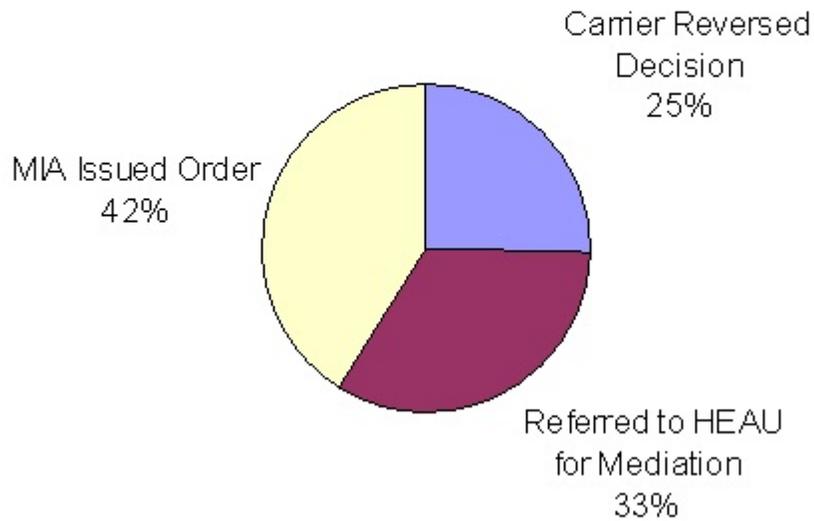
- Is the carrier subject to state jurisdiction?
- Does the complaint include a dispute of an adverse decision?

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 2005.

MIA Appeals and Grievances Complaints

Disposition of Complaints

FY 2005

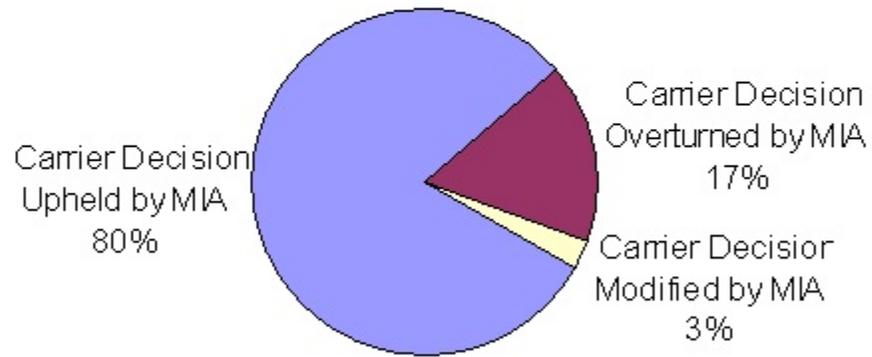


During FY 2005, MIA determined that 586 complaints challenged adverse decisions made by carriers that were subject to state jurisdiction. Cases in which the patient had not exhausted the carrier's internal grievance process were referred to HEAU. The remaining cases were either resolved by carriers during the review process or resulted in an MIA order.

MIA Appeals and Grievances Complaints

Results of MIA Orders

FY 2005



MIA issued 242 orders related to Appeals and Grievances Complaints during FY 2005. This chart describes the outcomes of those orders.

MIA Appeals and Grievances Complaints
Type of Service Involved in and Outcomes of Complaints
FY 2005

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%
Chiropractic Care	8	2%	5	63%	1	13%	0	0%	2	25%
Clinical Trial	1	0%	1	100%	0	0%	0	0%	0	0%
Coordination of Benefits	1	0%	1	100%	0	0%	0	0%	0	0%
Cosmetic	19	5%	11	58%	4	21%	0	0%	4	21%
Denial of Claim	3	1%	1	33%	0	0%	0	0%	2	67%
Denial of Hospital Days	95	24%	60	63%	12	13%	1	1%	22	23%
Dental Care Services	17	4%	4	24%	1	6%	1	6%	11	65%
Durable Medical Equipment	10	3%	4	40%	2	20%	0	0%	4	40%
Emergency Room Denial	8	2%	1	13%	0	0%	0	0%	7	88%
Emergency Treatment Denial	1	0%	0	0%	0	0%	0	0%	1	100%
Experimental	20	5%	14	70%	4	20%	0	0%	2	10%
Eye Care Services	1	0%	0	0%	0	0%	0	0%	1	100%
Home Care Services	3	1%	2	67%	0	0%	0	0%	1	33%
Inpatient Rehabilitation Services	3	1%	1	33%	0	0%	0	0%	2	67%
Lab, Imaging, Testing Services	9	2%	3	33%	0	0%	0	0%	6	67%
Medical Necessity	4	1%	1	25%	2	50%	0	0%	1	25%
Mental Health Partial Hospitalization	2	1%	1	50%	0	0%	0	0%	1	50%
Mental Health/Substance Abuse-Inpt	39	10%	21	54%	3	8%	2	5%	13	33%
Mental Health Substance Abuse-Out	9	2%	3	33%	0	0%	0	0%	6	67%
Morbid Obesity	22	6%	15	68%	1	5%	0	0%	6	27%
Out Patient Services	1	0%	0	0%	0	0%	0	0%	1	100%
Out-of-Network Benefits	3	1%	2	67%	0	0%	0	0%	1	33%
Pharmacy Services/Formulary Issues	44	11%	7	16%	3	7%	1	2%	33	75%
Physician Services	42	11%	22	52%	4	10%	1	2%	15	36%
Podiatry Services	1	0%	1	100%	0	0%	0	0%	0	0%
PT, OT, ST Services	15	4%	9	60%	2	13%	0	0%	4	27%
Skilled Nursing Facility Care Services	6	2%	3	50%	1	17%	1	17%	1	17%
Timeliness	1	0%	1	100%	0	0%	0	0%	0	0%
Transportation Services	2	1%	0	0%	0	0%	0	0%	2	100%
TOTAL	391	100%	195	50%	40	10%	7	2%	149	38%

The above chart identifies the types of services involved in Appeals and Grievances Complaints handled by MIA during FY 2005. It shows how the outcome varies based upon the types of services involved in the complaints.

HEAU Appeals and Grievances Cases

Cases Listed by Carrier

FY 2005

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overtured/Modified	
Aetna US Healthcare	Not State Regulated	22	13	59%	9	41%
	State Regulated	21	6	29%	15	71%
	Total HEAU Complaints	43	19	44%	24	56%
American Medical Security	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	0	0%	1	100%
Amex Assurance Company	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
Anthem Blue Cross Blue Shield	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	Total HEAU Complaints	1	0	0%	1	100%
Benesight	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
Blue Cross Blue Shield of Maryland	Not State Regulated	1	1	100%	0	0%
	State Regulated	7	2	29%	5	71%
	Total HEAU Complaints	8	3	38%	5	63%
Blue Cross Blue Shield of Massachusetts	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
Blue Cross Blue Shield of Michigan	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
Blue Cross Blue Shield of MN	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	0	0%	1	100%
Blue Cross Blue Shield of Pennsylvania	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
CareFirst	Not State Regulated	44	31	70%	13	30%
	State Regulated	90	31	34%	59	66%
	Total HEAU Complaints	134	62	46%	72	54%
Carefirst Blue Choice	Not State Regulated	4	3	75%	1	25%
	State Regulated	17	5	29%	12	71%
	Total HEAU Complaints	21	8	38%	13	62%
CIGNA	Not State Regulated	9	4	44%	5	56%
	State Regulated	13	3	23%	10	77%
	Total HEAU Complaints	22	7	32%	15	68%
CIGNA Dental	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
Cignet Health Plan	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
Connecticut General Life Insurance Company	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
Coventry Health Care	Not State Regulated	1	0	0%	1	100%
	State Regulated	7	5	71%	2	29%
	Total HEAU Complaints	8	5	63%	3	38%
Cuna Mutual Insurance Group	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	Total HEAU Complaints	1	0	0%	1	100%
Delta Dental of Pennsylvania	Not State Regulated	1	1	100%	0	0%
	State Regulated	2	1	50%	1	50%
	Total HEAU Complaints	3	2	67%	1	33%
Dental Benefit Providers, Inc.	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
Electrical Welfare Trust Fund	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
FELRA & UFCW Health and Welfare Fund	Not State Regulated	4	1	25%	3	75%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	4	1	25%	3	75%
Fidelity Insurance	Not State Regulated	4	4	100%	0	0%
	State Regulated	7	2	29%	5	71%
	Total HEAU Complaints	11	6	55%	5	45%
Fortis Benefits	Not State Regulated	0	0	0%	0	0%
	State Regulated	3	1	33%	2	67%
	Total HEAU Complaints	3	1	33%	2	67%
Golden Rule Insurance	Not State Regulated	2	1	50%	1	50%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	2	1	50%	1	50%
Graphic Arts Benefit Corp	Not State Regulated	1	0	0%	1	100%
	State Regulated	1	1	100%	0	0%
	Total HEAU Complaints	2	1	50%	1	50%
Great West Life & Annuity	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	Total HEAU Complaints	1	0	0%	1	100%
Guardian Life Insurance Company of America	Not State Regulated	4	4	100%	0	0%
	State Regulated	2	0	0%	2	100%
	Total HEAU Complaints	6	4	67%	2	33%
Infomed	Not State Regulated	3	2	67%	1	33%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	3	2	67%	1	33%

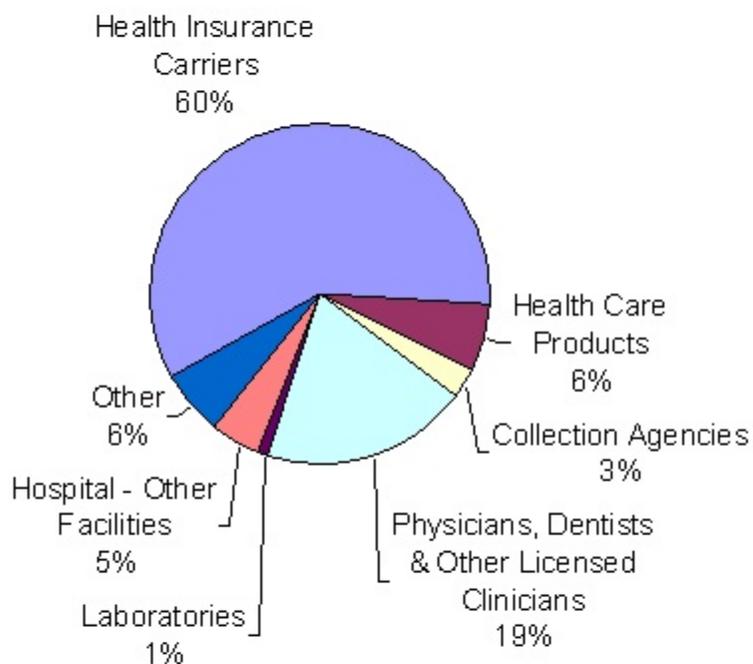
HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overtured/Modified	
Johns Hopkins Employer Health Programs	Not State Regulated	6	2	33%	4	67%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	6	2	33%	4	67%
Kaiser Permanente	Not State Regulated	4	3	75%	1	25%
	State Regulated	21	4	19%	17	81%
	Total HEAU Complaints	25	7	28%	18	72%
MAMSI Life & Health Insurance Company	Not State Regulated	5	4	80%	1	20%
	State Regulated	10	4	40%	6	60%
	Total HEAU Complaints	15	8	53%	7	47%
Maryland Electrical Industry Funds	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
Maryland Health Insurance Plan (MHIP)	Not State Regulated	0	0	0%	0	0%
	State Regulated	9	0	0%	9	100%
	Total HEAU Complaints	9	0	0%	9	100%
MDIPA	Not State Regulated	7	7	100%	0	0%
	State Regulated	5	4	80%	1	20%
	Total HEAU Complaints	12	11	92%	1	8%
Medicare	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
Medicare Part B Trailblazers	Not State Regulated	2	2	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	2	2	100%	0	0%
MetLife	Not State Regulated	0	0	0%	0	0%
	State Regulated	2	0	0%	2	100%
	Total HEAU Complaints	2	0	0%	2	100%
NASE	Not State Regulated	2	2	100%	0	0%
	State Regulated	1	0	0%	1	100%
	Total HEAU Complaints	3	2	67%	1	33%
National Asbestos Workers Medical Fund	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
NCAS	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	0	0%	1	100%
Optimum Choice	Not State Regulated	10	7	70%	3	30%
	State Regulated	33	14	42%	19	58%
	Total HEAU Complaints	43	21	49%	22	51%
Oxford Health Insurance, Inc	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
Pepco Medical Plan	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overtured/Modified	
Plan 3	Not State Regulated	2	0	0%	2	100%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	2	0	0%	2	100%
Preferred Health Network - PHN	Not State Regulated	0	0	0%	0	0%
	State Regulated	4	2	50%	2	50%
	Total HEAU Complaints	4	2	50%	2	50%
Sierra Military Health Service / Tricare	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	0	0%	1	100%
Star HRG	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	0	0%	1	100%
The Mega Life & Health Insurance Company	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
UFCW Health and Welfare Fund - Local 26	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	0	0%	1	100%
ULLICO	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
United Concordia Companies, Inc.	Not State Regulated	2	2	100%	0	0%
	State Regulated	4	0	0%	4	100%
	Total HEAU Complaints	6	2	33%	4	67%
United Healthcare	Not State Regulated	10	8	80%	2	20%
	State Regulated	17	2	12%	15	88%
	Total HEAU Complaints	27	10	37%	17	63%
United Medical Resources	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	0	0%	1	100%
Unknown Business	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	0	0%	1	100%
Vision Service Plan	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	Total HEAU Complaints	1	1	100%	0	0%
Total	Not State Regulated	170	114	67%	56	33%
	State Regulated	285	93	33%	192	67%
	Total HEAU Complaints	455	207	45%	248	55%

HEAU Cases

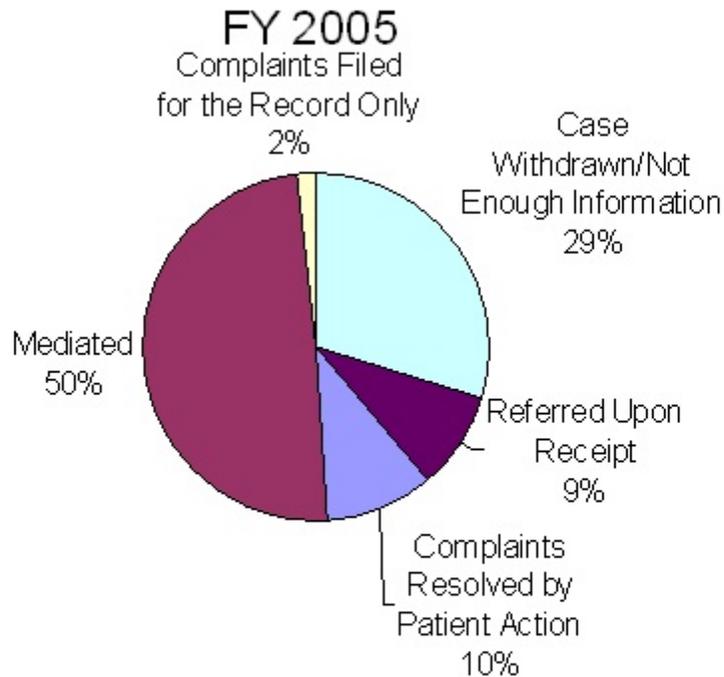
Who Are Cases Filed Against?

FY 2005



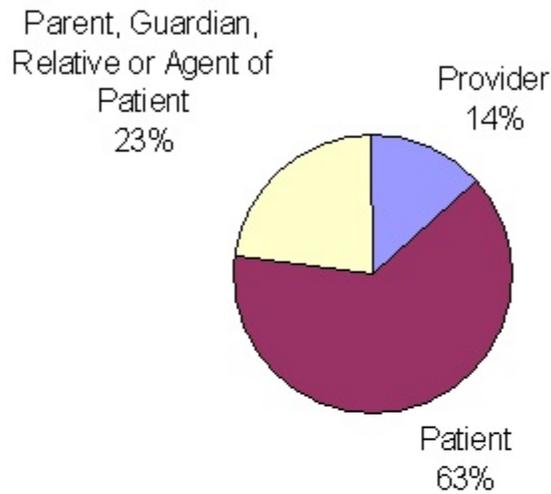
The HEAU mediates several types of patient disputes with health care providers and health insurance carriers. Most complaints involve provider billing or insurance coverage issues, but HEAU cases also involve helping patients obtain copies of their medical records, mediating disputes related to sales 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 2005.

HEAU Appeals and Grievances Cases Disposition of Cases



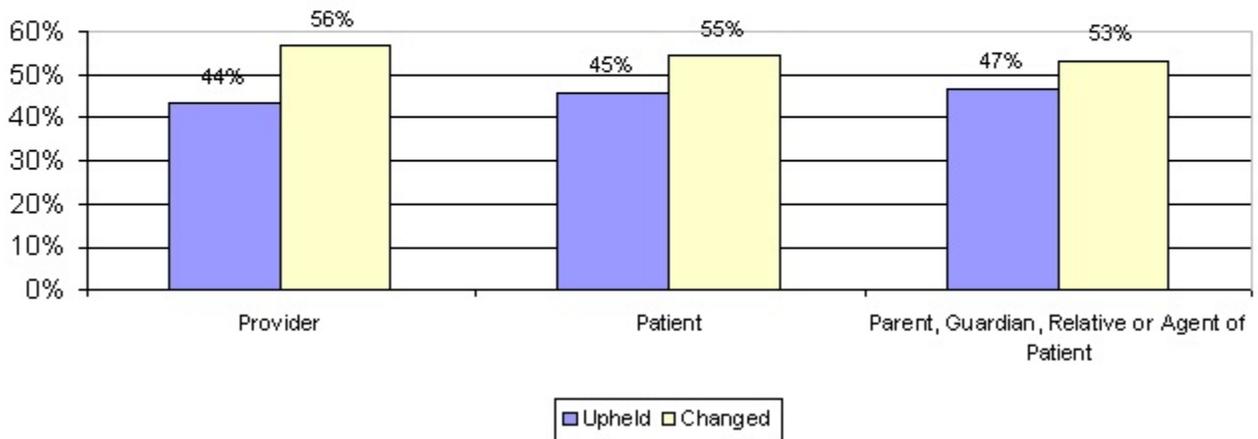
The HEAU closed 920 cases related to patients who disputed carrier adverse decisions. However, not all of these cases were mediated by HEAU. Some of these cases are mediated, some are filed for the record only and others are resolved by patients without direct HEAU assistance. This chart shows the disposition of all Appeals and Grievances cases closed by HEAU during FY 2005.

HEAU Appeals and Grievances Cases Who Filed Case? FY 2005



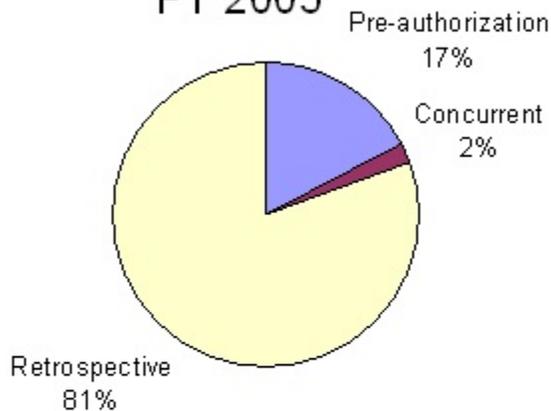
Cases may be filed on behalf of patients by providers, parents, relatives or other agents of patients. The above chart indicates who filed cases with HEAU.

Outcomes Based Upon Who Filed Case FY 2005



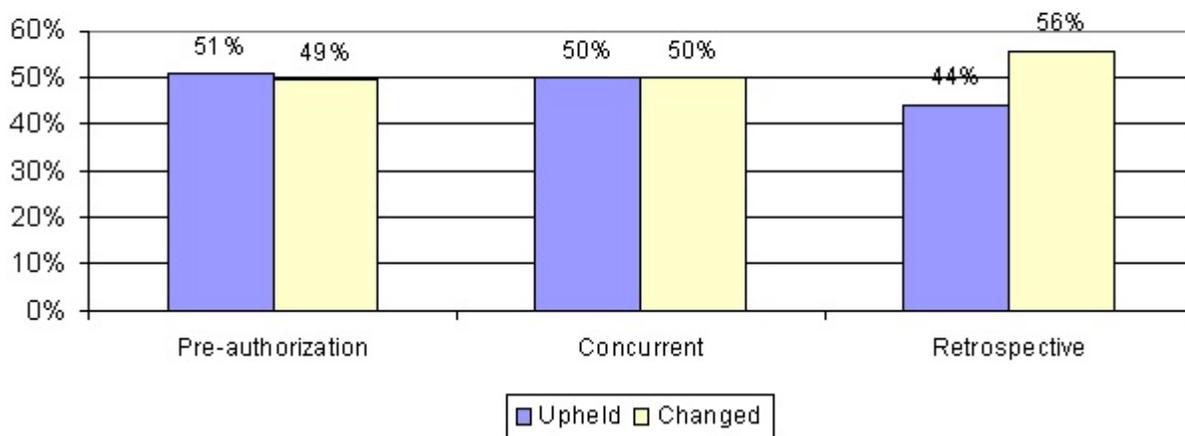
This chart shows the outcome of Appeals and Grievances Cases mediated by HEAU during FY 2005. Cases resulting in carriers overturning or modifying adverse decisions have been combined for this chart.

HEAU Appeals and Grievances Cases Timing of Adverse Decision FY 2005



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 2005.

Outcomes Based Upon Timing of Adverse Decision FY 2005

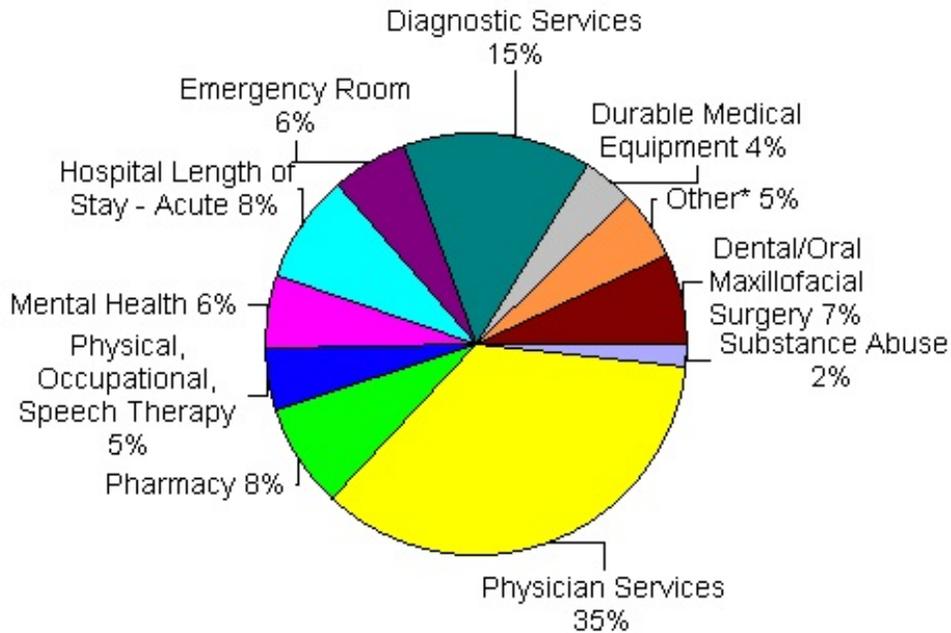


This chart shows the outcomes of Appeals and Grievances Cases mediated by HEAU during FY 2005.

HEAU Appeals and Grievances Cases

Type of Service Involved in Cases

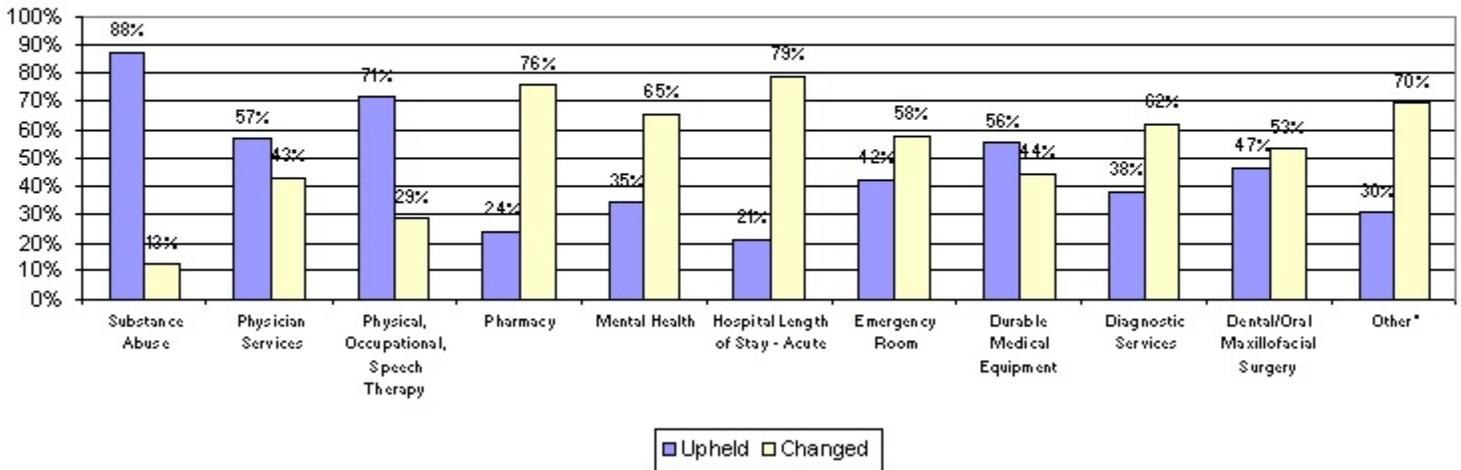
FY 2005



The above chart identifies the types of services involved in Appeals and Grievances cases mediated by HEAU during FY 2005.

Outcomes of Cases by Type of Service

FY 2005

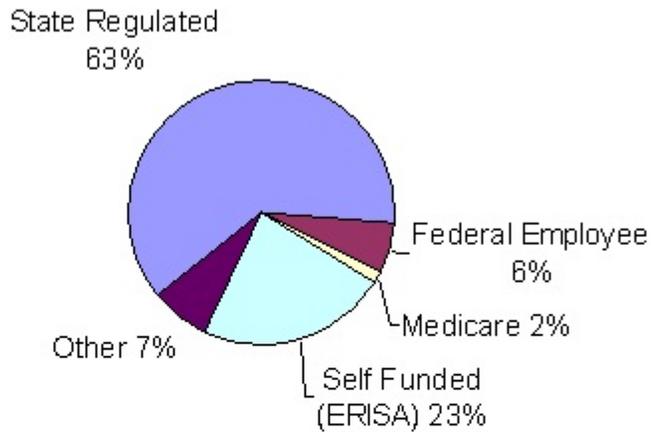


This chart shows the outcomes of Appeals and Grievances cases mediated by HEAU during FY 2005. It shows how the outcome varies based upon the types of services involved in the cases. Cases resulting in carriers overturning or modifying adverse decisions have been combined for this chart.

* In both of the above charts, Other includes: Acupuncture, Chiropractic, Habilitative Services, Optometry, Podiatry, 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

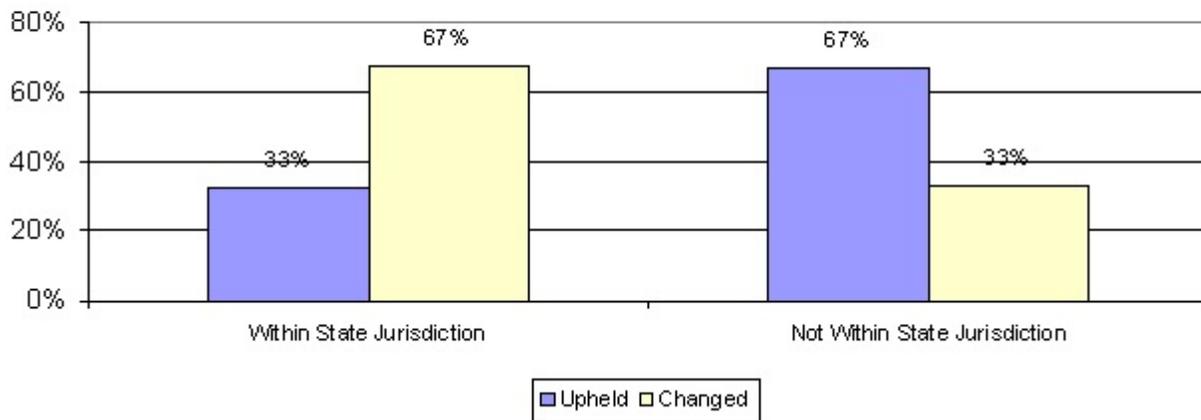
Types of Carrier
FY 2005



The above chart identifies the types of carriers involved in the Appeals and Grievances cases mediated by HEAU during FY 2005.

Outcomes of Cases by Regulatory Authority

FY 2005



This chart shows the outcomes of Appeals and Grievances cases mediated by HEAU during FY 2005. It shows how the outcome varies based upon whether the carrier is within state jurisdiction*.

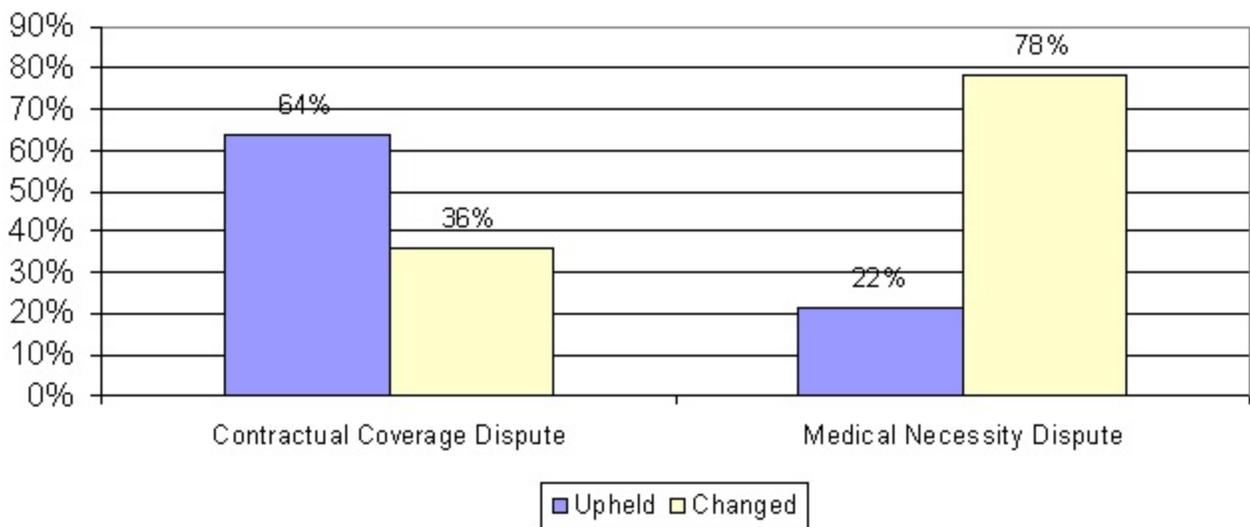
* Carriers not within state jurisdiction include Self-insured, Federal Employee, Medical Assistance, Medicare, Military and Out-of-State plans.

HEAU Appeals and Grievances Cases Outcomes of Cases by Type of Decision FY 2005



The above chart identifies the percentage of medical necessity and contractual coverage disputes for the Appeals and Grievances cases mediated by HEAU during FY 2005.

Outcomes of Cases by Type of Decision FY 2005



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