



**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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**NOVEMBER 2006**

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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 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 2006, beginning July 1, 2005 and concluding on June 30, 2006. 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.

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

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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.

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

### **Carrier Statistics FY 2006**

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 48,497 adverse decisions in FY 2006. The carriers administratively reversed 389 of these adverse decisions, or less than 1%.
2. Carriers report 5,883 internal grievances were filed in FY 2006. 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 52% 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 a significant increase nor decrease from FY 2005, 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 physicians and other health care providers, pharmacy, radiology/laboratory services, and emergency room services much more likely to be reversed than adverse decisions involving mental health care, durable medical equipment 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 2006 carriers reported an overturned or modified rate of 7% for mental health and substance abuse, down from 9% in FY 2005. This represents the lowest reported result since starting our annual report in FY 1999.

#### **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 2006**

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 964 cases that were filed between July 1, 2005 and June 30, 2006.
2. After reviewing these cases, MIA determined that 558 involved adverse decisions issued by health insurance carriers they regulated.
3. Of the 558 meeting the above criteria, MIA referred 174 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 384 cases in which patients challenged the grievance decision of their health insurance carrier.
5. During FY 2006, MIA issued 217 orders in cases related to carrier decisions in appeal and grievance cases.
6. Of the 217 orders issued, MIA upheld 196 or 90.3% of the carrier decisions, overturned 21 or 9.6% of the decisions, and modified 1 or .1% 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 2006**

In addition to the highlights listed below, charts providing statistical detail of the disposition of HEAU cases appear on pages 23-33 of this report.

1. HEAU closed 1,756 cases during FY 2006.
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 58% contractual denials and 42% medical necessity denials.
3. HEAU mediation resulted in 33% of the contractual denial cases being overturned or modified by the carrier; 72% of the medical necessity denial cases were overturned or modified.
4. HEAU assisted patients in obtaining more than \$670,403.86 in claims payments in appeal and grievance cases in FY 2006, 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 59% 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 34% of the time.

## VII. Appendix

# Carrier Data

## Reported by Carriers

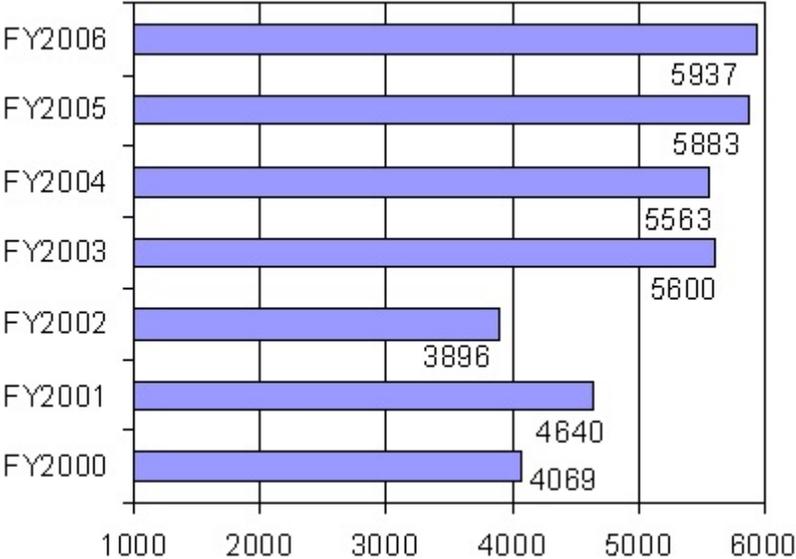
### Fiscal Year 2006

Carrier	Adverse Decisions		Grievances Filed		
	Total	Admin. Reversal	Total	Upheld	Overturned/Modified
Aetna Life Insurance Company	160	8	20	70%	30%
Aetna U.S. Healthcare - Largo, MD	5480	271	178	38%	62%
American Medical Security Life Insurance Company	46	40	3	0%	100%
American National Life Insurance Co. Of Texas	0	0	1	100%	0%
American Republic Insurance Company	3	0	2	100%	0%
Ameritas Life Insurance Corporation	17	1	4	75%	25%
CareFirst BlueChoice, Inc.	7913	0	1184	41%	59%
CareFirst of Maryland Inc.	8477	4	868	47%	53%
CIGNA Dental Health of Maryland, Inc.	368	0	4	25%	75%
CIGNA Healthcare Mid-Atlantic, Inc.	403	1	54	56%	44%
Companion Life Insurance Company	19	0	4	75%	25%
Connecticut General Life Insurance Co.	666	17	152	47%	53%
Conseco Health Insurance Company	0	0	2	100%	0%
Continental Assurance Company	0	0	13	85%	15%
Coventry Health Care of Delaware	602	0	73	89%	11%
Dental Benefit Providers of MD, Inc.	1807	0	563	19%	81%
Fidelity Insurance Company	52	0	53	57%	43%
Golden Rule Insurance Company	2	0	2	100%	0%
Group Dental Service of Maryland, Inc.	6696	0	47	68%	32%
Group Hospitalization and Medical Services, Inc. t/a Carefirst Blue Cross Blue Shield	4249	2	346	38%	62%
Guardian Life Insurance Co. of America	789	18	262	39%	61%
Humana Dental Insurance Company	0	0	1	100%	0%

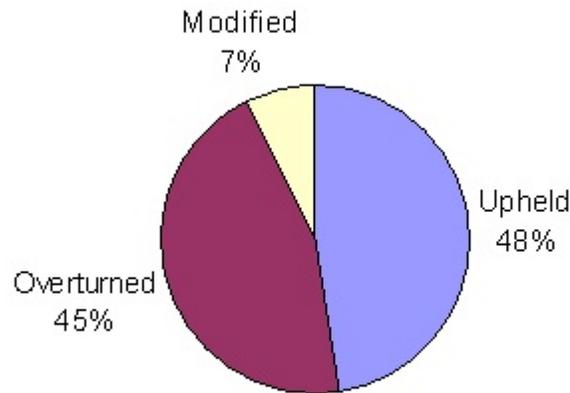
Carrier	Adverse Decisions		Grievances Filed		
	Total	Admin. Reversal	Total	Upheld	Overtured/ Modified
Jefferson Pilot Financial Insurance Co.	11	0	1	100%	0%
Kaiser Permanente	1704	13	122	45%	55%
MAMSI Life and Health Insurance Co.	1753	0	356	62%	38%
MD-Individual Practice Association, Inc.	941	0	216	57%	43%
Company	1	1	3	100%	0%
Nationwide Life Insurance Company	4	4	0	0%	0%
Optimum Choice, Inc.	5790	0	1230	62%	38%
Reliance Standard Life	2	0	0	0%	0%
Standard Insurance Company	2	0	4	75%	25%
The Prudential Insurance Company of America	0	0	2	50%	50%
Time Insurance Company	9	2	1	0%	100%
Trustmark Insurance Company	1	0	3	0%	0%
Trustmark Life Insurance Company	16	3	9	33%	67%
UNICARE Life and Health Insurance Co.	254	0	32	59%	41%
Union Labor Life Insurance Company	16	0	0	0%	0%
Union Security Insurance Company	1	0	15	100%	0%
United Concordia Dental Plans, Inc.	3	0	3	0%	100%
United Concordia Insurance Company	3	0	3	0%	100%
United Concordia Life and Health Insurance Company	162	0	55	27%	73%
United HealthCare Insurance Company	38	0	27	67%	33%
Inc.	28	0	15	80%	20%
Company	2	0	2	50%	50%
United States Life Insurance Company	3	0	2	50%	50%
Company	4	4	0	0%	0%
<b>Total</b>	<b>48497</b>	<b>389</b>	<b>5937</b>	<b>48%</b>	<b>52%</b>

**Carrier Data**  
**Grievances Filed**  
**Seven Year Comparison**

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

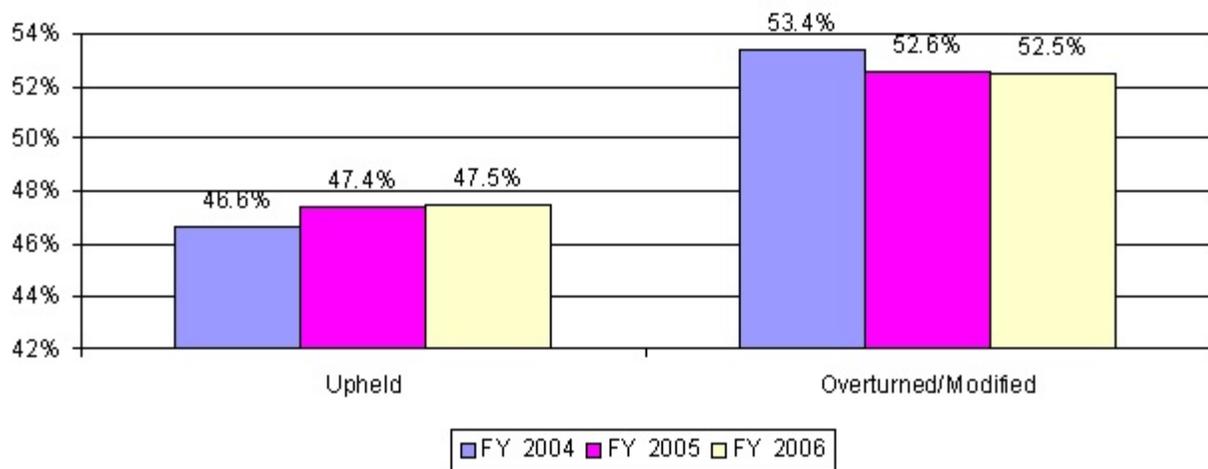


## Carrier Grievance Data Outcomes of Grievances Filed FY 2006



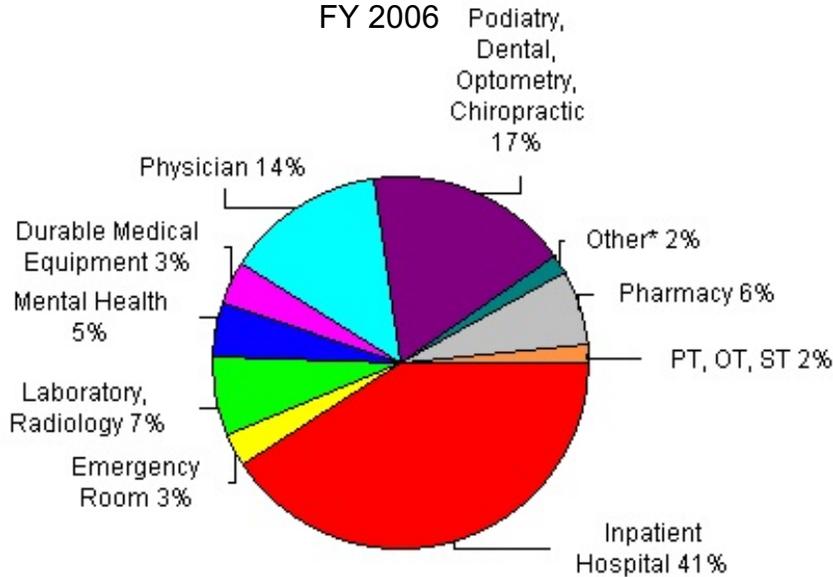
This chart describes the outcomes of the 5937 internal grievances reported by carriers during FY 2006.

## Outcomes of Grievances Filed Three Year Comparison



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

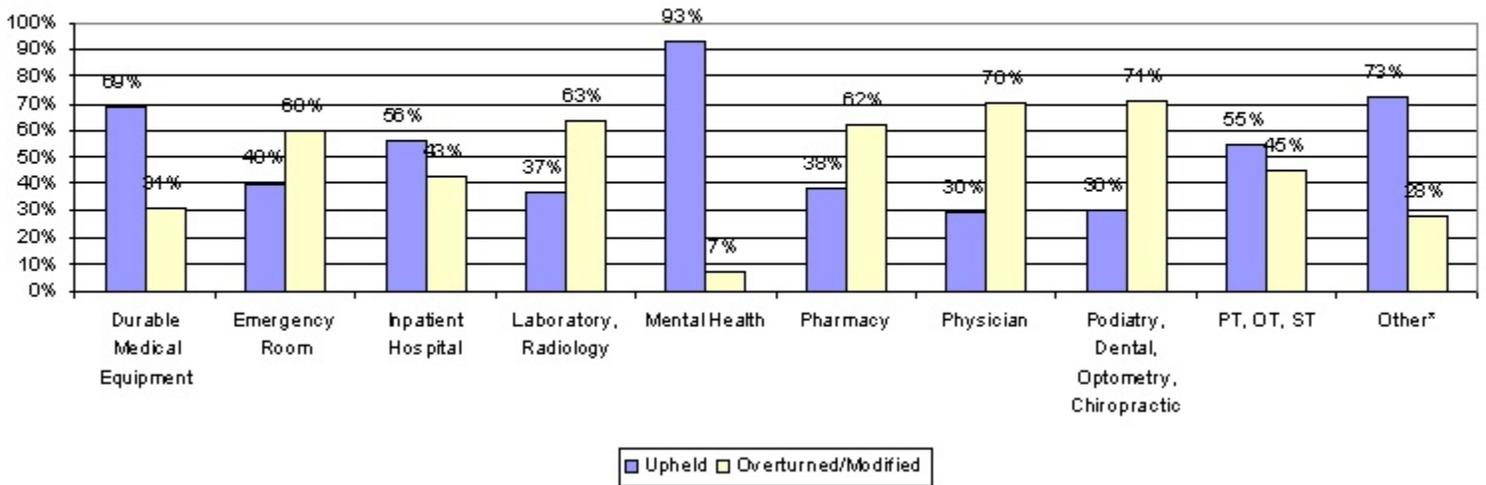
### Carrier Grievance Data Type of Service Involved in Grievances Filed



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 2006.

### Outcomes of Grievances by Type of Service

FY 2006

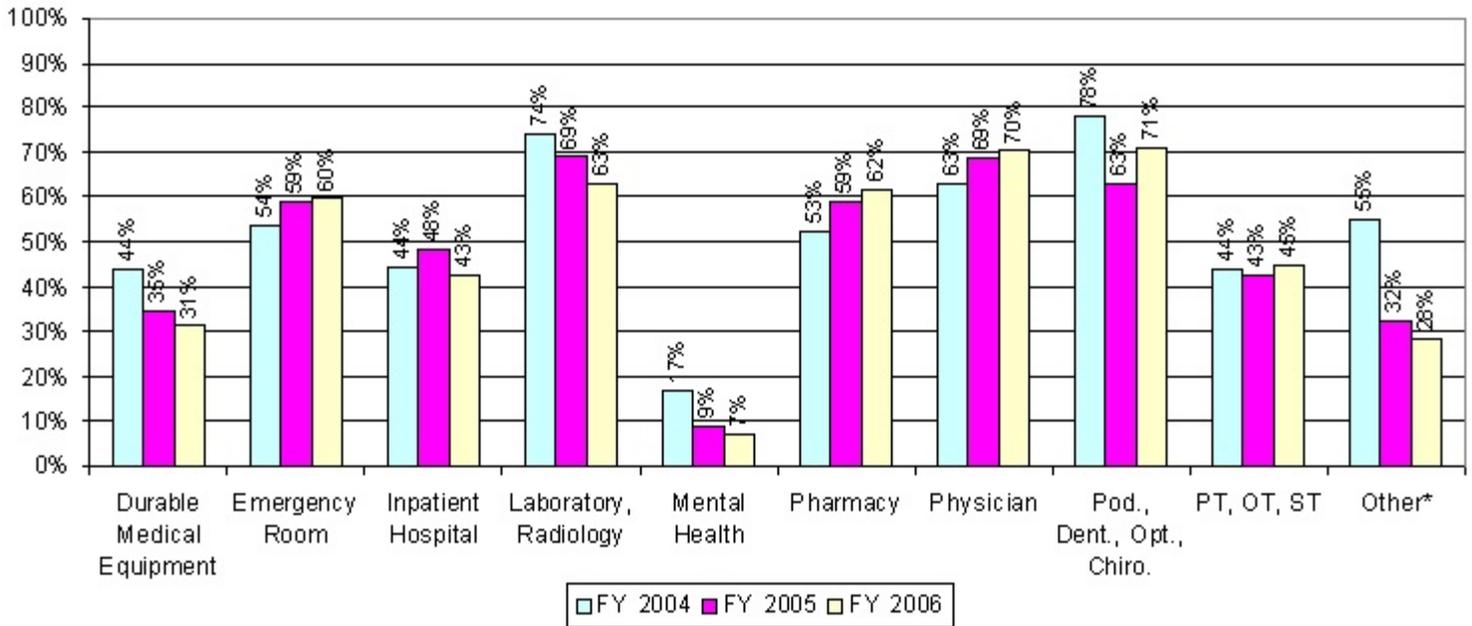


Carriers are required to identify the type of service involved in the internal grievances they receive as well as the outcomes of those grievances. This chart compares the variance in the outcome of grievances based upon the type of service being disputed in the grievance. This chart is based upon carrier 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



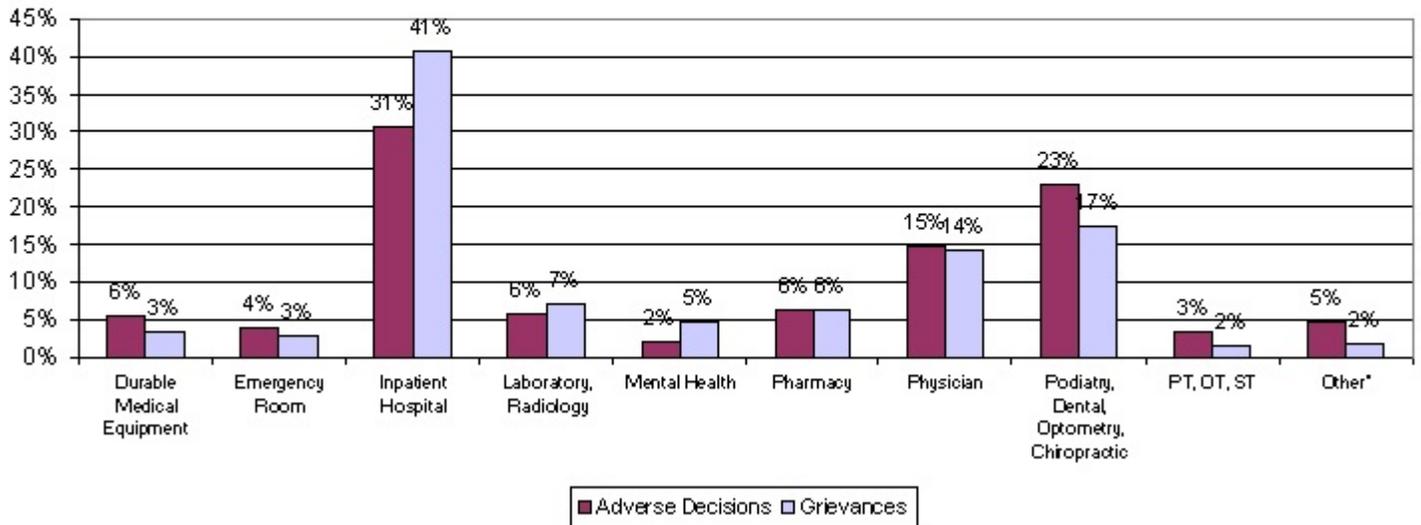
This chart compares the percentage of cases reported as overturned or modified, comparing FY 2004, FY 2005, and FY 2006 outcomes as reported by the carriers.

\* 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 2006



\* 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

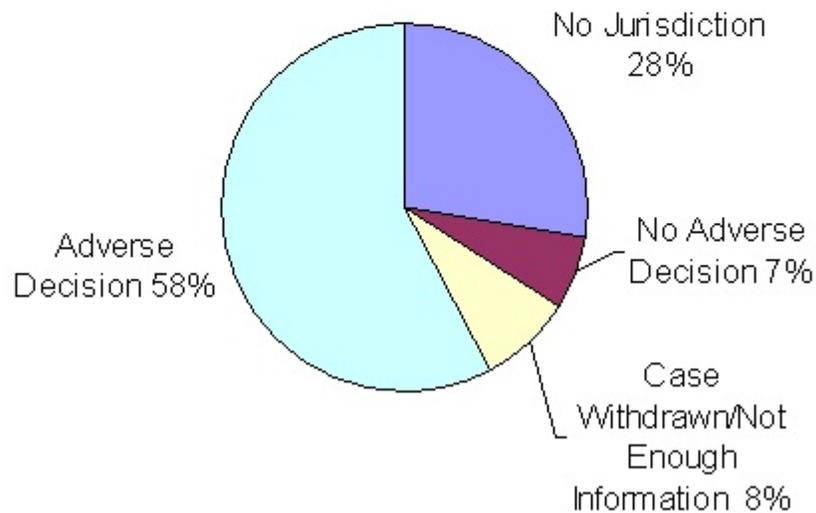
FY 2006

Carrier	Total	Carrier Upheld by MIA	Carrier Upheld by MIA %	Carrier Overturned by MIA	Carrier Overturned by MIA %	Carrier Modified by MIA	Carrier Modified by MIA %	Carrier Reversed Itself During Investigation	Carrier Reversed Itself During Investigation %
Aetna Health, Inc.	9	3	33%	1	11%	0	0%	5	56%
Aetna Life Insurance Company	2	2	100%	0	0%	0	0%	0	0%
American Republic	1	1	100%	0	0%	0	0%	0	0%
BlueChoice, Inc.	54	24	44%	2	4%	0	0%	28	52%
CareFirst of Maryland, Inc.	68	34	50%	3	4%	0	0%	31	46%
CIGNA Dental Health of Maryland	1	0	0%	0	0%	0	0%	1	100%
CIGNA HealthCare Mid-Atlantic	10	3	30%	0	0%	0	0%	7	70%
Connecticut General Life Ins. Co.	3	3	100%	0	0%	0	0%	0	0%
Coventry Health Care of Delaware	15	8	53%	1	7%	0	0%	6	40%
Dental Benefit Providers of Maryland	1	0	0%	0	0%	0	0%	1	100%
Graphic Arts Benefit Corporation	1	0	0%	0	0%	0	0%	1	100%
Group Hospitalization & Medical Services	13	5	38%	1	8%	0	0%	7	54%
Guardian Life Insurance Co.	11	6	55%	0	0%	0	0%	5	45%
Humana Insurance Insurance	1	1	100%	0	0%	0	0%	0	0%
Kaiser Foundation Health Plan	8	4	50%	0	0%	0	0%	4	50%
Maryland Health Insurance Plan	19	2	11%	0	0%	0	0%	17	89%
MAMSI Life & Health Insurance Co.	40	25	63%	5	13%	1	3%	9	23%
MDIPA	10	5	50%	2	20%	0	0%	3	30%

Carrier	Total	Carrier Upheld by MIA	Carrier Overturned by MIA	Carrier Modified by MIA	Carrier Reversed Itself During Investigation
Metropolitan Life Ins. Co.	4	1 25%	0 0%	0 0%	3 75%
Optimum Choice	95	62 65%	6 6%	0 0%	27 28%
United Concordia Companies, Inc.	2	1 50%	0 0%	0 0%	1 50%
United Concordia Dental	1	0 0%	0 0%	0 0%	1 100%
United HealthCare of the Mid-Atlantic	3	1 33%	0 0%	0 0%	2 67%
United HealthCare Insurance Co.	12	5 42%	0 0%	0 0%	7 58%
<b>TOTAL</b>	<b>384</b>	<b>196 51%</b>	<b>21 5%</b>	<b>1 0%</b>	<b>166 43%</b>

# MIA Complaints FY 2006

## Complaints Reviewed by Appeals and Grievances Unit



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

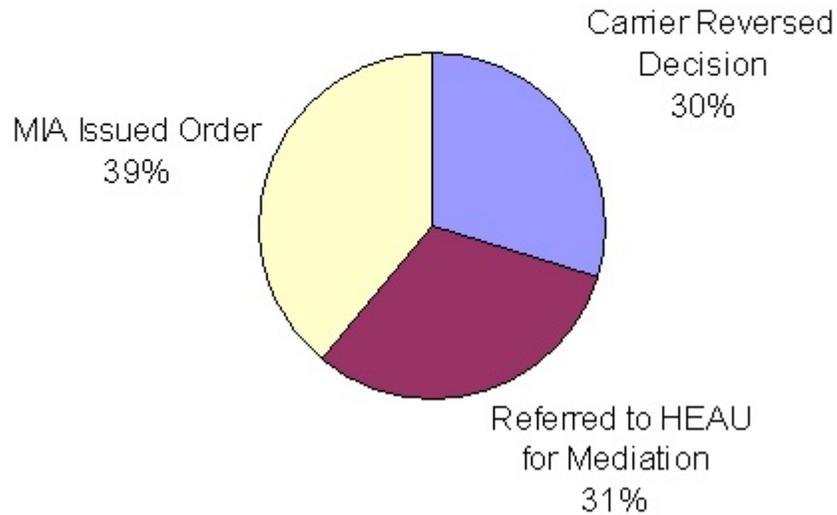
- Is the carrier subject to state jurisdiction?
- Does the complaint include a dispute of an adverse decision?

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 2006.

# MIA Appeals and Grievances Complaints

## Disposition of Complaints

### FY 2006

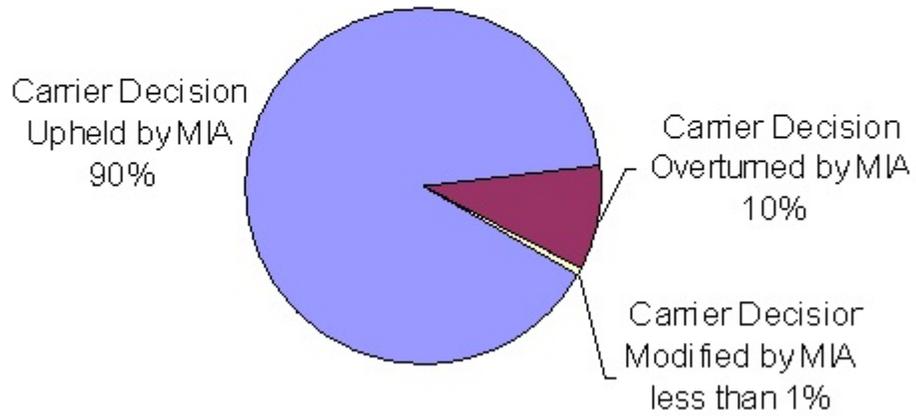


During FY 2006, MIA determined that 558 complaints challenged adverse decisions made by carriers that were subject to state jurisdiction. Cases in which the patient had not exhausted the carrier's internal grievance process were referred to HEAU. The remaining cases were either resolved by carriers during the review process or resulted in an MIA order.

# MIA Appeals and Grievances Complaints

## Results of MIA Orders

### FY 2006



MIA issued 217 orders related to Appeals and Grievances Complaints during FY 2006. This chart describes the outcomes of those orders.

**MIA Appeals and Grievances Complaints**  
Type of Service Involved in and Outcomes of Complaints  
FY 2006

Type of Procedure	Total		Carrier Upheld by MIA		Carrier Overturned by MIA		Carrier Modified by MIA		Carrier Reversed Itself During Investigation	
Acupuncture	2	1%	2	100%	0	0%	0	0%	0	0%
Chiropractic Care Services	4	1%	4	100%	0	0%	0	0%	0	0%
Cosmetic	10	3%	8	80%	1	10%	0	0%	1	10%
Custodial Care Service	1	0%	0	0%	0	0%	0	0%	1	100%
Denial of Claim	1	0%	1	100%	0	0%	0	0%	0	0%
Denial of Hospital Days	88	23%	47	53%	7	8%	1	1%	33	38%
Dental Care Services	19	5%	8	42%	0	0%	0	0%	11	58%
Durable Medical Equipment	21	5%	11	52%	2	10%	0	0%	8	38%
Emergency Room Denial	3	1%	3	100%	0	0%	0	0%	0	0%
Experimental	34	9%	23	68%	3	9%	0	0%	8	24%
Home Care Services	1	0%	1	100%	0	0%	0	0%	0	0%
In-Patient Rehabilitation Services	1	0%	0	0%	0	0%	0	0%	1	100%
Lab, Imaging, Test Services	17	4%	6	35%	0	0%	0	0%	11	65%
Medical Food	1	0%	1	100%	0	0%	0	0%	0	0%
Medical Necessity	6	2%	4	67%	1	17%	0	0%	1	17%
Mental Health Partial Hospitalization	6	2%	2	33%	0	0%	0	0%	4	67%
Mental Health/Substance Abuse (Inpatient)	19	5%	5	26%	2	11%	0	0%	12	63%
Mental Health/Substance Abuse (Outpatient)	5	1%	2	40%	0	0%	0	0%	3	60%
Morbid Obesity	19	5%	13	68%	0	0%	0	0%	6	32%
Out-of-Network Benefits	3	1%	1	33%	0	0%	0	0%	2	67%
PCP Referrals	3	1%	2	67%	0	0%	0	0%	1	33%
Pharmacy Services/Formulary Issues	53	14%	13	25%	3	6%	0	0%	37	70%
Physician Services	48	13%	30	63%	1	2%	0	0%	17	35%
PT, OT, ST Services	12	3%	4	33%	1	8%	0	0%	7	58%
Skilled Nursing Facility Care Service	5	1%	4	80%	0	0%	0	0%	1	20%
Transportation Services	2	1%	1	50%	0	0%	0	0%	1	50%
<b>TOTAL</b>	<b>384</b>	<b>100%</b>	<b>196</b>	<b>51%</b>	<b>21</b>	<b>5%</b>	<b>1</b>	<b>0%</b>	<b>166</b>	<b>43%</b>

The above chart identifies the types of services involved in Appeals and Grievances Complaints handled by MIA during FY 2006. 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 2006

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
AARP	Not State Regulated	0	0	0%	0	0%
	State Regulated	2	1	50%	1	50%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>1</b>	<b>50%</b>	<b>1</b>	<b>50%</b>
ACEC Life/Health Trust	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>
Aetna US Healthcare	Not State Regulated	26	13	50%	13	50%
	State Regulated	22	6	27%	16	73%
	<b>Total HEAU Complaints</b>	<b>48</b>	<b>19</b>	<b>40%</b>	<b>29</b>	<b>60%</b>
Alliance	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	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 Maryland	Not State Regulated	2	1	50%	1	50%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>1</b>	<b>50%</b>	<b>1</b>	<b>50%</b>
Blue Cross Blue Shield of Pennsylvania	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>
CareCore	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	Not State Regulated	35	22	63%	13	37%
	State Regulated	77	32	42%	45	58%
	<b>Total HEAU Complaints</b>	<b>112</b>	<b>54</b>	<b>48%</b>	<b>58</b>	<b>52%</b>
Carefirst BlueChoice	Not State Regulated	5	2	40%	3	60%
	State Regulated	19	7	37%	12	63%
	<b>Total HEAU Complaints</b>	<b>24</b>	<b>9</b>	<b>38%</b>	<b>15</b>	<b>63%</b>
Caremark, 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	
CIGNA	Not State Regulated	9	7	78%	2	22%
	State Regulated	5	1	20%	4	80%
	<b>Total HEAU Complaints</b>	<b>14</b>	<b>8</b>	<b>57%</b>	<b>6</b>	<b>43%</b>
CIGNA Dental	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>
Cignet Health Plan	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>
Connecticut General Life Insurance Company	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	1	1	100%	0	0%
	State Regulated	4	1	25%	3	75%
	<b>Total HEAU Complaints</b>	<b>5</b>	<b>2</b>	<b>40%</b>	<b>3</b>	<b>60%</b>
Delta Dental of Pennsylvania	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>
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	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>
Fortis 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>
General Health Insurance	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	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>
Graphic Arts Benefit Corp	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>

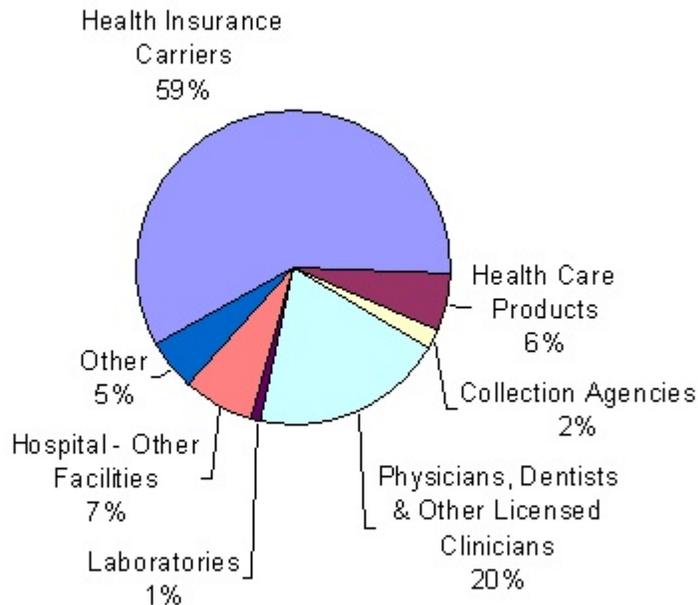
HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
Guardian Life Insurance Company of America	Not State Regulated	3	2	67%	1	33%
	State Regulated	5	1	20%	4	80%
	<b>Total HEAU Complaints</b>	<b>8</b>	<b>3</b>	<b>38%</b>	<b>5</b>	<b>63%</b>
Highmark Blue Cross Blue Shield	Not State Regulated	2	1	50%	1	50%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>1</b>	<b>50%</b>	<b>1</b>	<b>50%</b>
Humana Insurance Company	Not State Regulated	1	1	100%	0	0%
	State Regulated	2	0	0%	2	100%
	<b>Total HEAU Complaints</b>	<b>3</b>	<b>1</b>	<b>33%</b>	<b>2</b>	<b>67%</b>
Johns Hopkins Employer Health Programs	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>
Kaiser Permanente	Not State Regulated	1	1	100%	0	0%
	State Regulated	9	4	44%	5	56%
	<b>Total HEAU Complaints</b>	<b>10</b>	<b>5</b>	<b>50%</b>	<b>5</b>	<b>50%</b>
Lumenos	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>
Magellan Behavioral Health	Not State Regulated	0	0	0%	0	0%
	State Regulated	7	6	86%	1	14%
	<b>Total HEAU Complaints</b>	<b>7</b>	<b>6</b>	<b>86%</b>	<b>1</b>	<b>14%</b>
Mail Handlers Benefit Plan	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>
MAMSI Life & Health Insurance Company	Not State Regulated	5	2	40%	3	60%
	State Regulated	10	5	50%	5	50%
	<b>Total HEAU Complaints</b>	<b>15</b>	<b>7</b>	<b>47%</b>	<b>8</b>	<b>53%</b>
Managed Care 2000+	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	2	0	0%	2	100%
	State Regulated	13	3	23%	10	77%
	<b>Total HEAU Complaints</b>	<b>15</b>	<b>3</b>	<b>20%</b>	<b>12</b>	<b>80%</b>
MDIPA	Not State Regulated	7	6	86%	1	14%
	State Regulated	6	3	50%	3	50%
	<b>Total HEAU Complaints</b>	<b>13</b>	<b>9</b>	<b>69%</b>	<b>4</b>	<b>31%</b>

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
Medco Health	Not State Regulated	0	0	0%	0	0%
	State Regulated	3	0	0%	3	100%
	<b>Total HEAU Complaints</b>	<b>3</b>	<b>0</b>	<b>0%</b>	<b>3</b>	<b>100%</b>
MetLife	Not State Regulated	1	0	0%	1	100%
	State Regulated	2	1	50%	1	50%
	<b>Total HEAU Complaints</b>	<b>3</b>	<b>1</b>	<b>33%</b>	<b>2</b>	<b>67%</b>
National Association of Letter Carriers Health Benefit Plan	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>
Optimum Choice	Not State Regulated	11	9	82%	2	18%
	State Regulated	35	20	57%	15	43%
	<b>Total HEAU Complaints</b>	<b>46</b>	<b>29</b>	<b>63%</b>	<b>17</b>	<b>37%</b>
Performax	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>
Plan 3	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>
Private Healthcare Systems	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>
Six Flags Benefit Planners	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.	Not State Regulated	5	5	100%	0	0%
	State Regulated	7	5	71%	2	29%
	<b>Total HEAU Complaints</b>	<b>12</b>	<b>10</b>	<b>83%</b>	<b>2</b>	<b>17%</b>
United Healthcare	Not State Regulated	9	5	56%	4	44%
	State Regulated	10	1	10%	9	90%
	<b>Total HEAU Complaints</b>	<b>19</b>	<b>6</b>	<b>32%</b>	<b>13</b>	<b>68%</b>
Value Options	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>
Wausau Benefits, 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>
<b>Total</b>	<b>Not State Regulated</b>	<b>148</b>	<b>97</b>	<b>66%</b>	<b>51</b>	<b>34%</b>
	<b>State Regulated</b>	<b>244</b>	<b>100</b>	<b>41%</b>	<b>144</b>	<b>59%</b>
	<b>Total HEAU Complaints</b>	<b>392</b>	<b>197</b>	<b>50%</b>	<b>195</b>	<b>50%</b>

# HEAU Cases

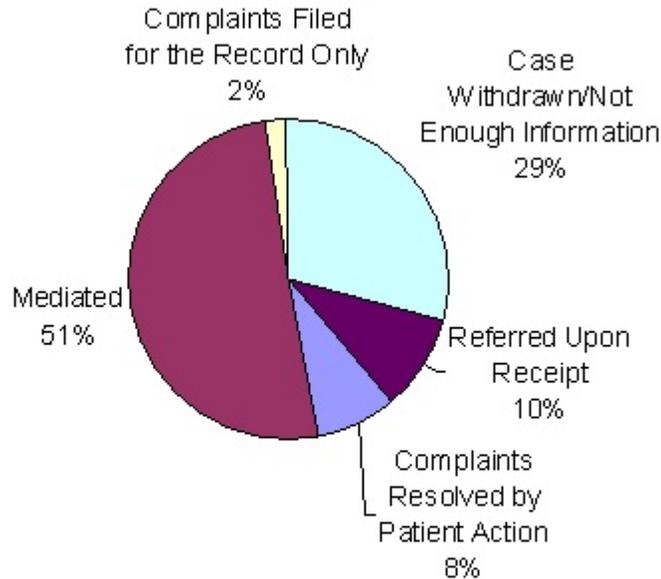
## Who Are Cases Filed Against?

### FY 2006



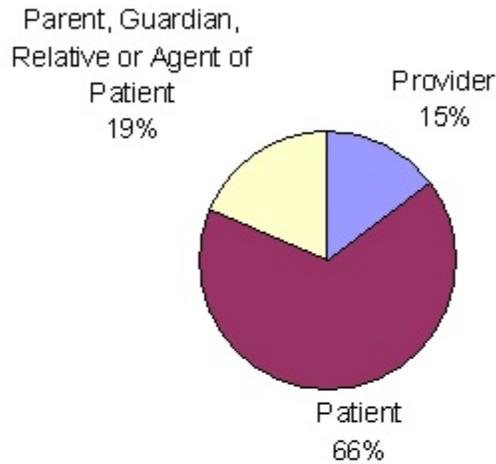
The HEAU mediates several types of patient disputes with health care providers and health insurance carriers. Most complaints involve provider billing or insurance coverage issues, but HEAU cases also involve helping patients obtain copies of their medical records, mediating disputes related to sales 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 2006.

# HEAU Appeals and Grievances Cases Disposition of Cases FY 2006



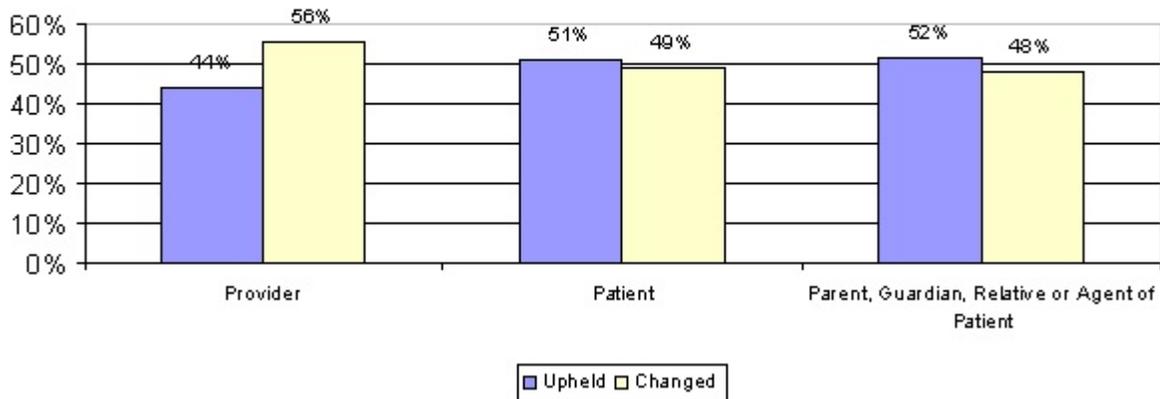
The HEAU closed 771 cases related to patients who disputed carrier adverse decisions. However, not all of these cases were mediated by HEAU. Some of these cases are mediated, some are filed for the record only and others are resolved by patients without direct HEAU assistance. This chart shows the disposition of all Appeals and Grievances cases closed by HEAU during FY 2006.

## HEAU Appeals and Grievances Cases Who Filed Case? FY 2006



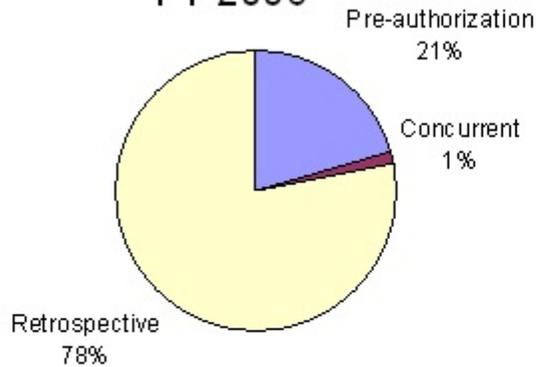
Cases may be filed on behalf of patients by providers, parents, relatives or other agents of patients. The above chart indicates who filed cases with HEAU.

## Outcomes Based Upon Who Filed Case FY 2006



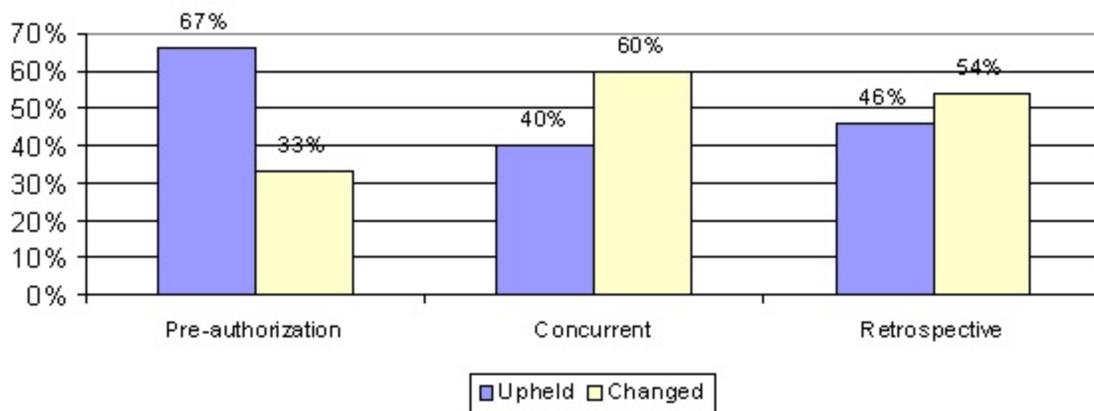
This chart shows the outcome of Appeals and Grievances Cases mediated by HEAU during FY 2006. Cases resulting in carriers overturning or modifying adverse decisions have been combined for this chart.

## HEAU Appeals and Grievances Cases Timing of Adverse Decision FY 2006



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 2006.

### Outcomes Based Upon Timing of Adverse Decision FY 2006

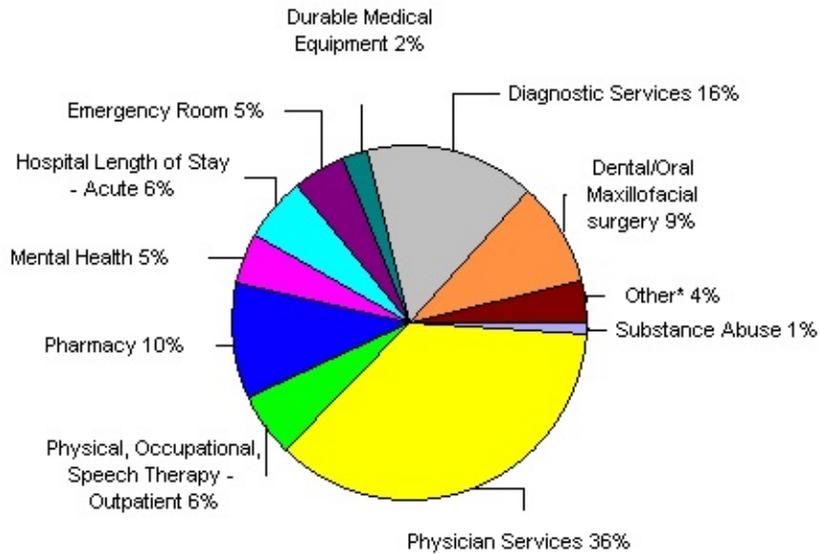


This chart shows the outcomes of Appeals and Grievances Cases mediated by HEAU during FY 2006.

## HEAU Appeals and Grievances Cases

### Type of Service Involved in Cases

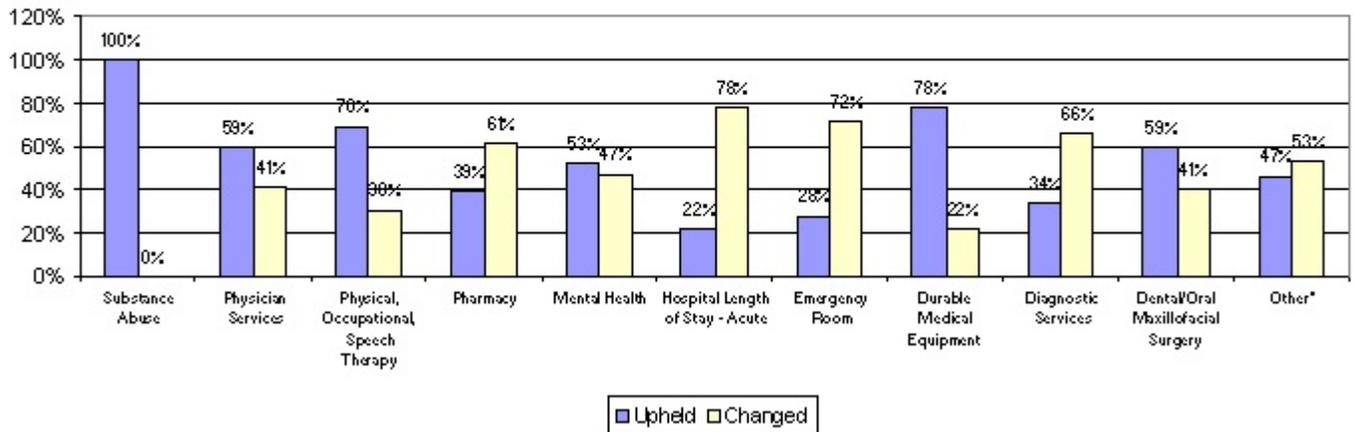
FY 2006



The above chart identifies the types of services involved in Appeals and Grievances cases mediated by HEAU during FY 2006.

### Outcomes of Cases by Type of Service

FY 2006

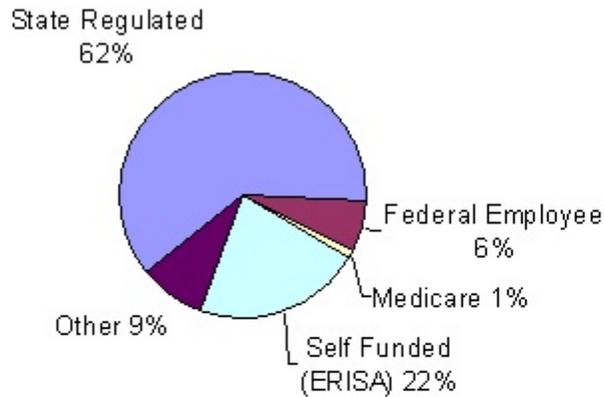


This chart shows the outcomes of Appeals and Grievances cases mediated by HEAU during FY 2006. It shows how the outcome varies based upon the types of services involved in the cases. Cases resulting in carriers overturning or modifying adverse decisions have been combined for this chart.

\* In both of the above charts, Other includes: Acupuncture, Chiropractic Habilitative Services, Home Health, Inpatient Physical 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

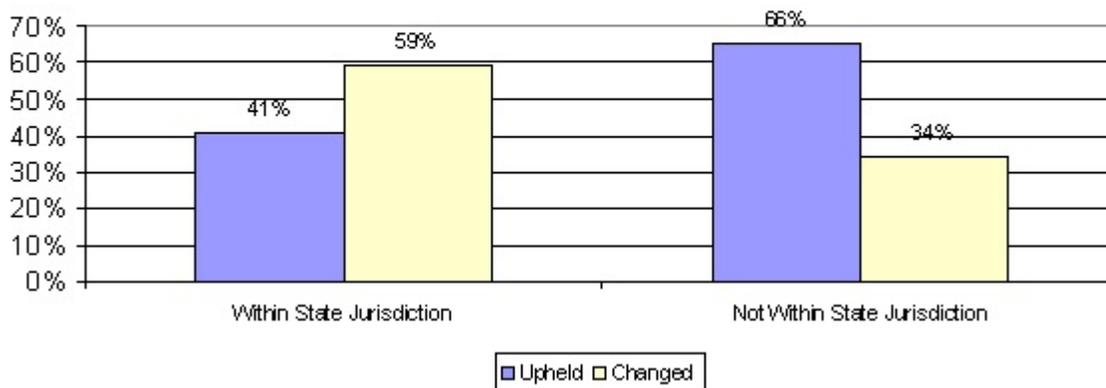
Types of Carrier  
FY 2006



The above chart identifies the types of carriers involved in the Appeals and Grievances cases mediated by HEAU during FY 2006.

## Outcomes of Cases by Regulatory Authority

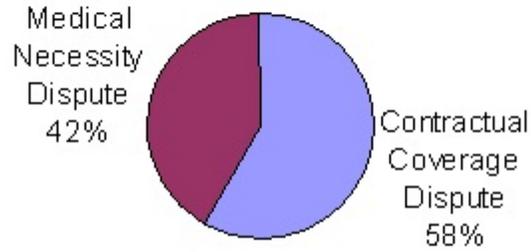
FY 2006



This chart shows the outcomes of Appeals and Grievances cases mediated by HEAU during FY 2006. It shows how the outcome varies based upon whether the carrier is within state jurisdiction\*.

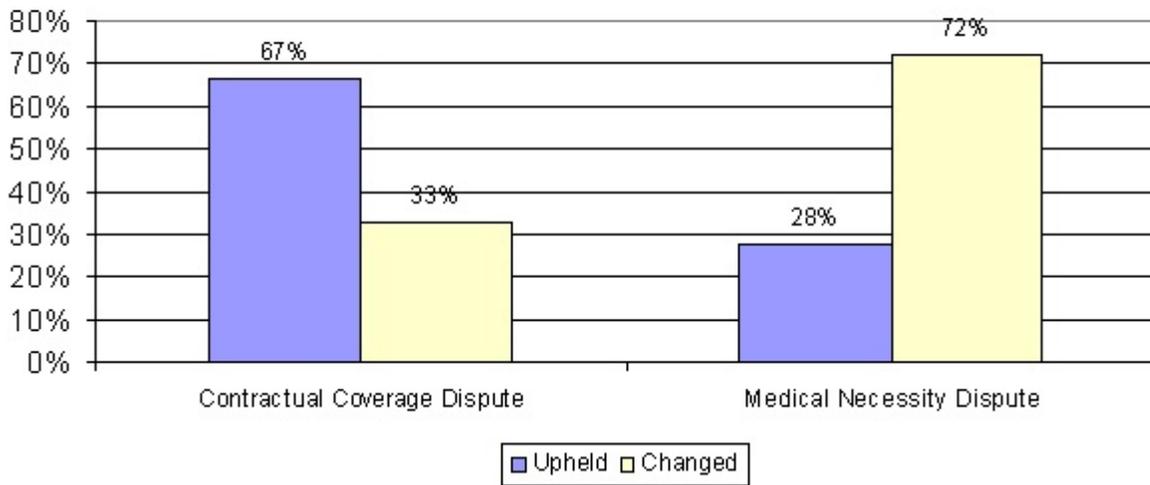
\* Carriers not within state jurisdiction may include Self-insured, Federal Employee, Medical Assistance, Medicare, Military and Out-of-State plans.

## HEAU Appeals and Grievances Cases Outcomes of Cases by Type of Decision FY 2006



The above chart identifies the percentage of medical necessity and contractual coverage disputes for the Appeals and Grievances cases mediated by HEAU during FY 2006.

## Outcomes of Cases by Type of Decision FY 2006



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