Patients Get New Rights to Appeal Insurance Decisions

BY MARY ELLEN SCHNEIDER

New federal regulations mandated by the Affordable Care Act will give patients new rights to appeal claims denials made by their health plans.

The rules will allow consumers in new health plans to appeal decisions both through their insurer's internal process and to an outside, independent entity. While most health plans already provide for an internal appeals process, not all offer an external review of plan decisions, according to the U.S. Department of Health and Human Services. The types of appeals processes often depend on individual state laws.

HHS officials estimate that in 2011 there will be about 31 million people in new employer plans and another 10 million people in new individual market plans who will be able to take advantage of these new appeals opportunities. By 2013, that number is expected to grow to 88 million people. The rules do not apply to grandfathered health plans.

Under the new rules, health plans that begin on or after Sept. 23, 2010, must have an internal appeals process that allows consumers to appeal whenever the plan denies a claim for a covered service or rescinds coverage. The internal appeals process must also offer consumers detailed information about the grounds for their denial and information on how to file an appeal. The new rules aim to make internal appeals more objective by ensuring that the person considering the appeal does not have a conflict of interest. For example, the health plan is not allowed to offer financial incentives to employees based on the number of claims that are denied. Health plans will also have to provide an expedited appeals process.

The new federal appeals regulations also standardize rules for external appeals. Currently, 44 states require health plans to have some type of external appeal but those processes vary greatly, according to HHS. Under the federal rules, health plans must provide clear information about external appeals and expedited access to the process. The decisions made through external appeals are binding under the new federal rules. ■

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