

How to Fight a Denied Health Claim—and Win

By: Arlene Weintraub

When I consulted a nutritionist about a nagging cholesterol problem earlier this year, I knew my health insurer might not pay for the \$363 visit. My plan, provided by Empire BlueCross BlueShield, includes nutritionists in its provider network, but when I called one, her receptionist warned me the HMO would probably not pay my claim.

I took a chance. And as predicted, my claim was denied. A BlueCross customer-service agent explained that under the terms of my policy, nutritional counseling is only reimbursable for patients who have a complicating medical condition, such as diabetes.

I have no such illness, but rather suffer from unfortunate genetics that have forced everyone else in my family to go on statins. So I did what all patients should do—I appealed. I faxed in a letter stating my case, along with two years worth of blood tests showing my cholesterol stubbornly hovering at an unhealthy 214.

Two months and a few phone calls later, Empire paid the entire claim, minus my \$20 co-pay. The moral of this story is clear: Don't take your insurer's "no" as the final word. Even the CEO of Empire BlueCross, Mark Wagar, agrees. "If you think a denial is wrong, ask questions," Wagar advises. "There's a process in place to help you appeal."

Under health reform, that process is about to be nationalized. Right now, 44 states have laws requiring health insurers not just to review appeals internally, but to turn over the most complicated appeals to independent physicians for review. The new law will require insurers in all 50 states to implement such external reviews.

What these laws won't save you from, however, is the legwork you'll need to do to boost your odds of winning. So first, educate yourself about your insurer's procedures. Some claims are denied because doctors list the wrong codes—a problem you should be able to solve with a single call to your doctor.

When it comes to ancillary services, like nutritional counseling, many insurers will bend the rules if you get your doctor to provide a "pre-determination"—essentially a note on your record suggesting that what you're requesting is medically necessary.

Even if you've already had the service for which you're being billed, your doctor may be able to chime in after-the-fact with the proper paperwork, provided you do all the hand-holding. "Don't assume your doctor knows how to get you covered," says Dan Heffley, a health insurance consultant based in Henderson, Nev. "The onus is on the patient."

Remember to keep meticulous notes, recording the names and phone extensions of every customer service agent you speak to. And never disregard the deadlines your insurance company dictates. "If you miss certain time frames, your likelihood of success goes down," says Marty Rosen, executive vice president and co-founder of Health Advocate, a Plymouth Meeting, Pa.-based company that provides health care support to 6,500 companies. And if all else fails, go straight to the top—as far up as you can.

Continued on next page

In 2009, Meredith Gray was approved by her Aetna plan for reconstructive surgery following a bilateral mastectomy for breast cancer. But Aetna only paid \$3,000 of the surgeon's \$32,000 charge, and the company turned down Gray's appeal.

So Gray (pictured right), who lives in Connecticut, sent letters to Aetna's CEO, as well as to Connecticut's commissioner of insurance and to its governor, M. Jodi Rell (who also survived breast cancer).

Aetna reversed its decision and paid the surgeon in full—plus interest. “You have to persevere,” advises Gray, a freelance fashion stylist and writer whose battle with breast cancer was documented by Lifetime TV. “Each person has to be their own advocate.”

A spokeswoman for Aetna says in an e-mail that the company determined the pay rate based on what the government (i.e. Medicare) pays, plus 25 percent, and the surgeon was unwilling to negotiate.

Gray's explanation of benefits, however, stated that she “was not responsible for any amount above what Aetna paid, and to contact us if she got a bill for the balance from the surgeon,” the spokeswoman says. “We protected our member from the balance bill.”

Even though my appeal was smaller than Gray's, its ending was a happy one for me and my insurer. The nutritionist taught me that eating two vegan meals a day can cure high cholesterol. She informed me that chicken breast is lower in cholesterol than chicken legs, and shrimp has so much cholesterol it should be avoided all together. (Who knew?)

I got my cholesterol down 30 points in six months and am officially in a statin-free zone. Says Empire BlueCross CEO Wagar: “By lowering your cholesterol, you'll have fewer health issues down the road, you'll avoid the side effects of statins, and you'll have lower costs. For us, paying \$343 was money well spent.”