



NC Family to Family Health Information Center

"A beacon for families of children with special health care needs."

NC Family to Family Health Information Center
ECAC
907 Barra Row, Suites 102/103
Davidson, NC 28036
Phone: (704) 892-1321
Fax: (704) 892-5028
Parent Information Line: 1-800-962-6817
hic@ecacmail.org
www.ecac-parentcenter.org

Fact Sheet

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Private Health Insurance Denials, Appeals, Complaints

The best way to prevent your insurance company from sending you a letter of denial is to know your health plan. Knowing the guidelines of your health insurance plan will help you to make your plan work for you. Often disagreements occur because there is not a clear understanding of exactly what your insurance covers. You need to understand this information before a problem arises so that you can make the right decisions about your health care and who will provide it. Read over your member handbook and make notes about:

- Do you need a referral from your primary care physician in order to see a specialist?
- Does the plan require prior **authorization** for a planned surgery or hospital stay?
- Do you have to select a physician from a network for the charges to be fully covered?
- Will the plan pay if you need treatment when you are out of town? (Out-of-area care)
- What should you do if your doctor recommends a procedure and then your plan denies it? (**Grievance** and **appeal** procedures)
- What are your out of pocket expenses? (**Co-pays, deductibles** or **co-insurance**)
- What does your plan cover?
- What are the **exclusions**?

If your health plan refuses to pay for treatment, you can and should consider appealing if:

- The treatment isn't a covered benefit, but you think the health plan should make an exception for you, or
- You have support from your physician that the treatment is "**medically necessary**".
- The treatment is deemed by the insurance company to be experimental or investigational.

If you need assistance because your insurance company denied you medical services, the NC Department of Insurance may be able to help you.

Under NC law, you have the right to appeal the insurance company's decision to deny your treatment. Here are some things you should know about your rights:

- You can appeal if the company decided your treatment was not medically necessary.
- Your company cannot punish you for appealing! They cannot cancel you policy or raise your rates. They cannot do anything to "get back at you" because you have appealed.
- Generally you have one or two chances to appeal the decision directly with the insurer– the first level appeal - and (if your insurer offers one) the second-level appeal (sometimes called a second level grievance).



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- Even if you lose the first appeal, you may want to consider appealing again if your insurer offers a second-level appeal. The people involved in your second-level appeal will not have anything to do with the first, so they will look at your case with fresh eyes. Completing all levels of internal appeals offered by the insurance company is one of several requirements you would have to meet in order to be eligible for external review, should you wish to request one in the event that your appeals are not successful.
- If you lose your appeals, you may be eligible for an external review through the Department of Insurance. This is a free service to you.
- Of the people who went through the external review process, close to one-half won their case.

The Department of Insurance Healthcare Review Program (HCR) provides counseling to consumers on appeals, grievances and utilization review issues. They regulate insurance plans within NC. The program staff of professional nurses can help you understand your insurance company's process and suggest resources as you approach your appeal.

You can reach the NC Department of Insurance at 1-877-885-0231.

The Department of Insurance cannot:

- Give an opinion regarding the appropriateness of the treatment.
- Suggest alternate modes of treatment.
- Provide specific, personalized, detailed information to include in the appeals effort.
- Give medical advice.
- Build a case for you.



Another excellent source for help with insurance issues in NC is the office of Attorney General Roy Cooper. They have a Managed Care Assistance Program which can help you through the entire appeals process. They can be reached at 1-866-867-MCPA (6272), (919) 733-MCPA (6272) or visit:

www.nchealthconsumer.org

For More Information

Contact: **www.HealthCareCoach.com**

Source: NC Department of Insurance, A Consumer's Guide to Health Insurance Managed Care Assistance Program, NC Attorney General Roy Cooper, Appealing a Plan Decision Fact Sheet, Writing an Appeal Fact Sheet, and Health Insurance: Frequently Asked Questions Brochure.

