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MEMBER

Health Care Reform Rules for Appeal of Health Insurance Denials

On July 22, 2010, the Department of Health and Human Services released regulations under the new health care reform law designed to make it easier for consumers and families to appeal denials of health insurance claims. The rules guarantee the right to appeal denials directly to their insurers, and if necessary, to external review boards. Importantly, for the first time the new rules will apply to employers that self-insure (that is, paying employee claims directly, rather than buying insurance to cover their workers).

Most states already guarantee consumers the right to external appeals, though the rules vary widely. Only Alabama, Mississippi, Nebraska, North Dakota and South Dakota do not have external review laws. These new rules will establish national uniform minimum standards and apply to self-insured employer plans that are exempt from state regulation. The new rules take effect on September 23, 2010.

The Administration also announced the availability of \$30 million in grants to states to establish or strengthen consumer assistance offices. The purpose of these offices is to provide assistance to consumers in making informed health coverage choices and to appeal decisions to deny care.

In recent weeks, a string of new rules have been published implementing the new health care reform law. Among these have been new rules requiring health plans to cover preventive services (including depression screening) at no cost and barring plans from imposing pre-existing condition exclusions as well as annual and lifetime dollar limits.

In addition, the Obama Administration has also published a separate rule setting forth which plans will qualify for “grandfathered” status that will allow them to avoid compliance with many of these rules until 2014. Importantly, the “grandfather” plan rule makes clear that any substantial change to beneficiary cost sharing or covered benefits will result in the health plan being deemed a “new” plan that would then lose its “grandfathered” status.

Additional information on each of these new regulations can be found at healthcare.gov