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CORRESPONDENCE MEMORANDUM

DATE: May 17, 2004

TO: Group Insurance Board

FROM: Liz Doss-Anderson, Ombudsperson, Quality Assurance Services Bureau
Christina Licari, Ombudsperson, Quality Assurance Services Bureau

SUBJECT: Employee Trust Funds (ETF) 2003 Complaint Report

This report is provided for informational purposes and contains information regarding health and disability insurance complaints received by the Department in 2003 and is used to monitor trends and address emerging issues in the health and disability programs. A summary chart of some of this data will also be included in the Report Card section of the *2005 It's Your Choice* booklet.

2003 ETF Complaint Activity Report

Below is a summary of information regarding complaints processed by the Department in calendar year 2003. As in past years, the Department collected information regarding formal written complaints submitted to the Department for administrative review. The Department also collected data on informal complaints. Informal complaints are primarily received over the phone and are typically resolved within one week. This type of complaint frequently involves issues such as difficulties with the referral process, enrollment and eligibility issues, and claims processing.

We are reporting information on both formal and informal complaints regarding the health insurance and disability programs. While the number of new formal health insurance complaints received by the Department declined in 2003, the total number of all types of complaints handled by the Quality Assurance Services Bureau staff increased from 244 in 2002 to 428 in 2003. As a result of increased staffing in the Bureau, we are able to handle more complaints on an informal level, which has reduced the number of members filing a formal complaint. This is a favorable outcome of our process and staff changes.

A. Health Insurance Complaints

Some highlights regarding health insurance complaints received by the Department in 2003 include:

Reviewed and approved by Tom Korpady, Division of Insurance Services.

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Signature Date

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Formal Complaints

- In 2003, there were no ETF complaints regarding Medical Associates, Mercy Care and the State Maintenance Plan.
- Dean Health Plan stands out as having the most managed health care complaints with approximately 14% of new formal health insurance complaints filed by Dean members.
- The three most common formal complaint types for managed care plans were billing issues which typically involved incorrectly submitted claims, non-covered services and coverage for prescription drugs.
- Active state employees registered the most complaints (59% of total complaints). Annuitants accounted for 29% of new complaints and local employees accounted for 5%.
- Of the 125 formal complaints closed in 2003, 64% were resolved in favor of the member. Members continue to have success working with their health plan to resolve their complaint. Of the complaints resolved in favor of the member, 15% were closed through the plan grievance process with a favorable resolution. This is evidence of the continued need to educate participants on how to successfully work with their health plan to resolve issues before contacting ETF.

Informal Complaints

- The two most common types of informal complaints were related to billing issues and enrollment and eligibility. The ombudspersons continue to work collaboratively with the Division of Trust Finance and Employer Services to resolve enrollment and eligibility issues on behalf of both members and employers.
- During the last quarter of 2003, the Department received many informal complaints regarding the health insurance program changes that were implemented for January 2004. Members contacted the Department daily to voice their concerns and better understand how the premium tiering structure and the new pharmacy benefit manager would impact their benefits.

B. Disability Complaints

The Department logged 124 disability benefit complaints, which included Income Continuation Insurance (ICI), Long-term Disability Insurance (LTDI), § 40.63 and § 40.65 program complaints. Currently, there is no distinction made between formal and informal complaints, as disability complaints are typically urgent in nature and handled on a priority basis by staff.

Unlike health insurance complaints, disability complaints may occur at any stage of a disability benefit claim. It is possible for an ICI complaint, for example, to occur during the initial claim process or after the claim has ended and an overpayment is discovered. The ETF ombudsperson serves as a liaison, working collaboratively with the contract administrator (CORE, Inc.), the ETF Disability Programs Bureau, employers and medical providers to advocate for members and resolve complaints.

Observing and tracking trends in disability complaints allows ETF staff to educate participants, provide feedback to CORE regarding training and service improvement needs and recommend changes to employer manuals and other written informational materials. The most frequent ICI complaint types were overpayments and billing/claim processing. Two trends worthy of highlighting were:

- Plan service and administration complaints declined in 2003. Only 7% of all disability complaints were service and administration complaints in 2003, compared with 32% in 2002.

- Overpayment complaints increased from 8% in 2002 to 41% in 2003, which directly correlates with the number of overpayment calculations completed by CORE in 2003. Two compliance notices were issued to CORE in April and May of 2003, requiring the completion of 703 overpayment calculations. Many of the oldest calculations identified were completed in May and June, resulting in a spike in overpayment complaints to ETF in June and July of 2003. Of the 703 overpayment calculations completed in 2003, 51 resulted in complaints to ETF.

ETF ombudsperson staff routinely educate members regarding disability benefit program design, assist members in navigating the disability claim process and advise members of subsequent administrative review rights. In addition, ombudsperson staff participate in weekly operations teleconferences between CORE and members of the Disability Programs Bureau in an ongoing effort to improve service to our members and keep abreast of emerging issues or potential program problem areas.

Attached you will find several charts that depict ETF health insurance (formal and informal) and disability complaint activity. The health insurance charts include a comparison of complaints received and closed, new complaints received in 2003 compared to previous years and complaint activity by plan. The disability charts include complaint data from 2003 in comparison to 2002 regarding complaint types and resolutions.

Health Insurance Complaint Standards

The 2001-2003 Biennial Budget paper stated that the optimal complaint backlog would be 20-30 open complaints at any given time. The backlog of open health insurance complaints has been steadily decreasing from a high of 108 in October 2001 to 62 in April 2002 and has remained within the budget goal of 20-30 open complaints since April 2003.

In addition, internal complaint processing standards were developed to ensure budgetary goals were being met. These standards include acknowledging receipt of a complaint within five working days, and receiving a health plan response within 15 working days. Progress on meeting these new standards is as follows:

- In 2003 new complaints continued to be acknowledged within five working days 92% of the time, with nine (8%) of the complaints being acknowledged beyond the goal of five days. These delays primarily occurred when a complaint was forwarded within the Department from another area or when a complaint was initially handled as an informal complaint.

- The internal standard requiring health plans to respond to the Department's request for information within 15 working days was improved to 83% compared to 66% in 2002. Health plan response time is regularly monitored by ETF staff and contact is made with individual health plans when action is needed to re-educate the plan on the Department's expectations.

ETF Health Insurance Complaint Survey

In 2001, as part of customer service initiatives for the Department, we began surveying complainants after an ETF ombudsperson completed the complaint review. A copy of the survey is attached. The total response rate of members completing the survey in 2003 was 54%.

The following depicts the percentage of respondents answering "strongly agree," "agree" or "somewhat agree" to the following questions:

		2002	**2003**
1.	My complaint was handled in a timely manner.	62%	85%
2.	The ombudsperson was professional and courteous.	92%	98%
3.	The assistance provided by the ombudsperson was helpful.	73%	59%
4.	Regardless of the outcome, the complaint process provided an adequate opportunity to favorably resolve my complaint.	73%	69%
5.	The information provided by the ombudsperson and the responses to my questions were precise and understandable.	79%	85%
6.	Regardless of the success in resolving my complaint, I found the knowledge and assistance from ETF to be a valuable benefit.	74%	73%

In general, members are satisfied with the ombudsperson services offered through ETF. We will continue to send surveys out to all members using the ombudsperson services through the formal complaint process at ETF. We believe it is a valuable tool as we continue to evaluate how we can best serve our members.

If you have any questions about the information provided, we will be available at the Board meeting. Thank you.

Attachments