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CORRESPONDENCE MEMORANDUM

DATE: June 4, 2010

REVISED

TO: Group Insurance Board

FROM: Christina Keeley, Ombudsperson
Liz Doss-Anderson, Ombudsperson
Vickie Baker, Ombudsperson

SUBJECT: 2009 Health Plan and Pharmacy Benefit Manager Grievance and Independent Review Report

This memo is for informational purposes only. No Board action is required.

This information is used to identify trends within the health insurance and pharmacy benefit manager (PBM) programs that warrant attention by the Department. A summary of this information will also be included in the 2011 *It's Your Choice* booklet.

I. 2009 Grievances

Below is a summary of annual grievance data provided to the Department of Employee Trust Funds (ETF) by all plans participating in the State of Wisconsin Group Health Insurance Program (State) and Wisconsin Public Employers Health Insurance Program (WPE). This report includes grievance data for Navitus Health Solutions, the PBM, for all members excluding WPE Medicare-eligible annuitants. WPE Medicare-eligible annuitants (approximately 1,900 members) are covered under Medicare D and their pharmacy benefits are administered by DeancareRx.

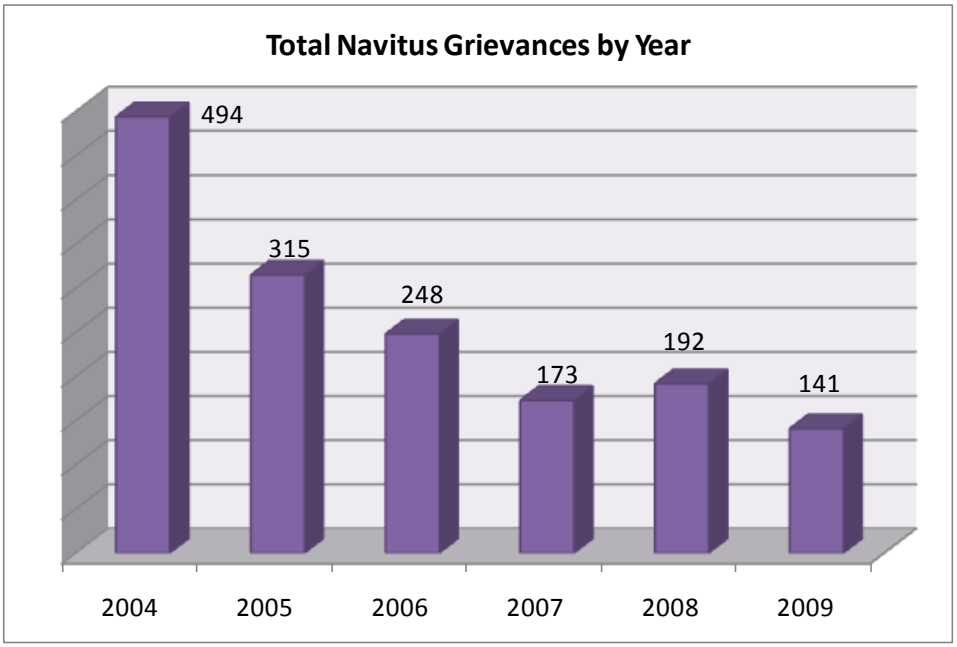
This summary was compiled by reviewing each plan's annual grievance report provided to ETF every March. A grievance is a written request to the plan – by (or on behalf of) a member – expressing dissatisfaction with a plan decision about a benefit denial or the provision of services under the contract. Highlights of the data include:

- Navitus, which administers the pharmacy benefits for approximately 236,000 members, received 141 grievances in 2009; of these, 40 (28%) were resolved in the member's favor. The two most common types of grievances were "denied co-payment reduction requests" and "requests for coverage of non-covered drugs." **See chart on next page and Attachment A.**

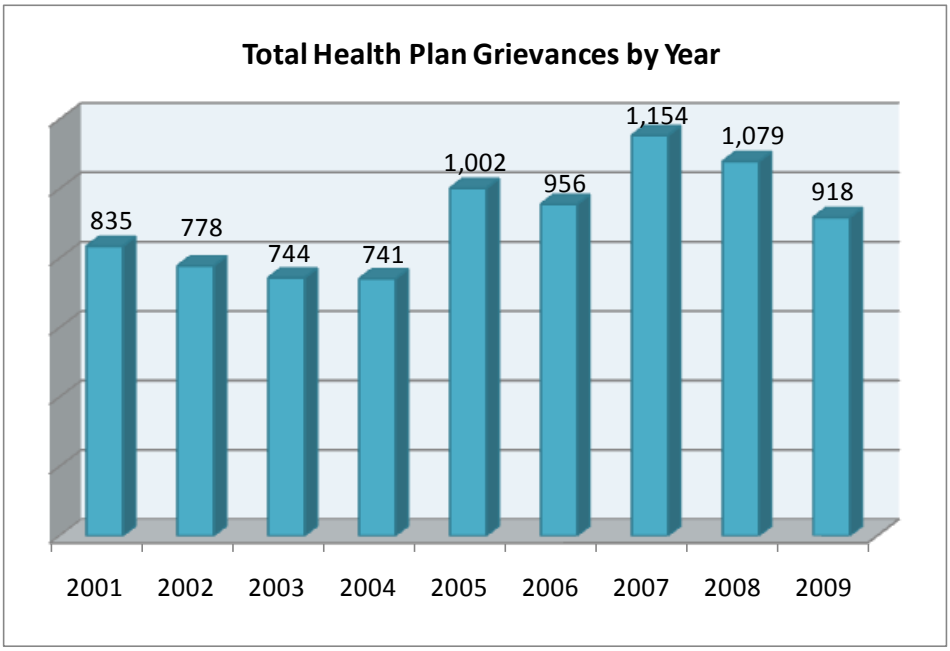
Reviewed and approved by Matt Stohr, Office of Legislative Affairs, Communications and Quality Assurance.

_____ _____
Signature Date

Board	Mtg Date	Item #
GIB	6.8.10	4B



- Health plans reported 918 grievances for 2009, compared to 1,079 for 2008, a decrease of 15% across all plans.



- Humana Eastern and WPS (administering the Self-Funded Plans) account for a combined total of 30% of all grievances filed. However, Anthem NW had by far the highest grievance ratio (number of grievances per 100 members) at 5.8, compared to the program average of 0.4. **See Attachments B and C.**

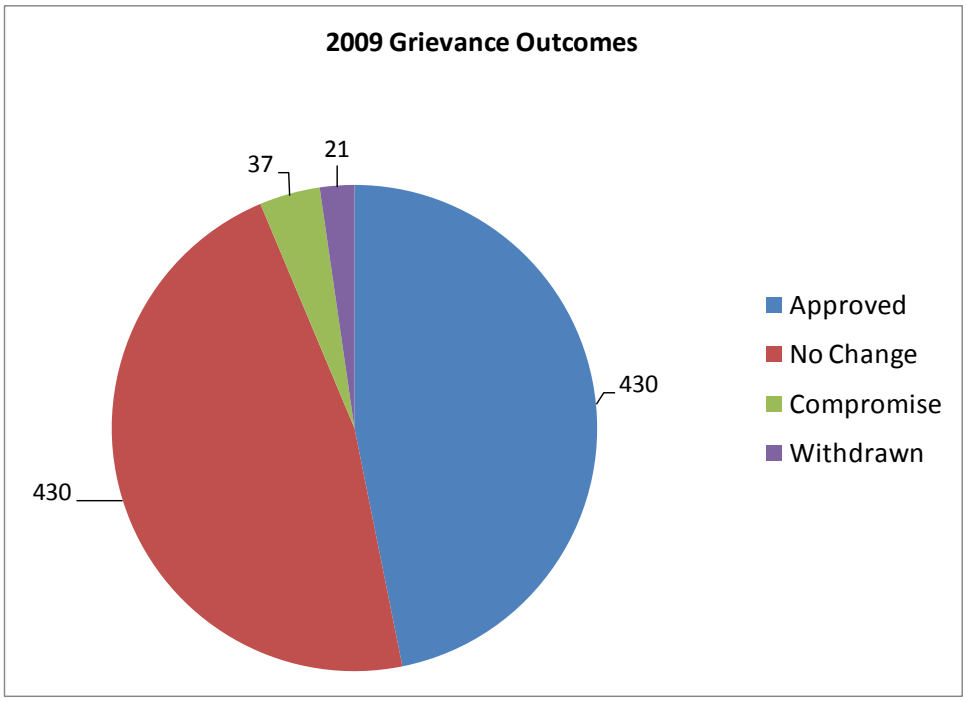
- While overall the health insurance program experienced a 15% decrease in grievances (-159) from 2008 to 2009, several health plans had increases. Most notably, Group Health Cooperative South Central Wisconsin (GHC-SCW) had an 85% increase in grievances from 2008 to 2009. **See Attachments B and C.**

- As in 2008, the most common type involved non-covered services with 263 grievances, 29% of all grievances. Prior authorization denials and plan service/administration were the second and third most common type of grievance in 2009. Ombudsperson Services will continue to provide outreach and education to members on their health insurance benefits and how best to work with their health plan to access their benefits and health plan services. **See Attachment D.**

- In 2009, there were 47 grievances over the denial of claims for Emergency Room (ER) services. Of these, 15 were from GHC-SCW members, an indication this category needs to be monitored closely in 2010. **See Attachment D.**

- 47% of all grievances reviewed by the health plans were overturned in favor of the member, including four health plans that had overturn rates of 80% or greater. **See Attachment D.**

  Moderate rates of favorable outcomes demonstrate to members the value of utilizing the plan grievance process. However, high rates of favorable outcomes with a high number of grievances may indicate a need for a plan to examine its administration of plan benefits. When a plan has a high number of grievances and the majority result in overturning the plan's original decision, it is reasonable to conclude the majority of initial denials were incorrect. For plans with few grievances, high rates of favorable outcomes are not a reliable indicator of incorrect denials.



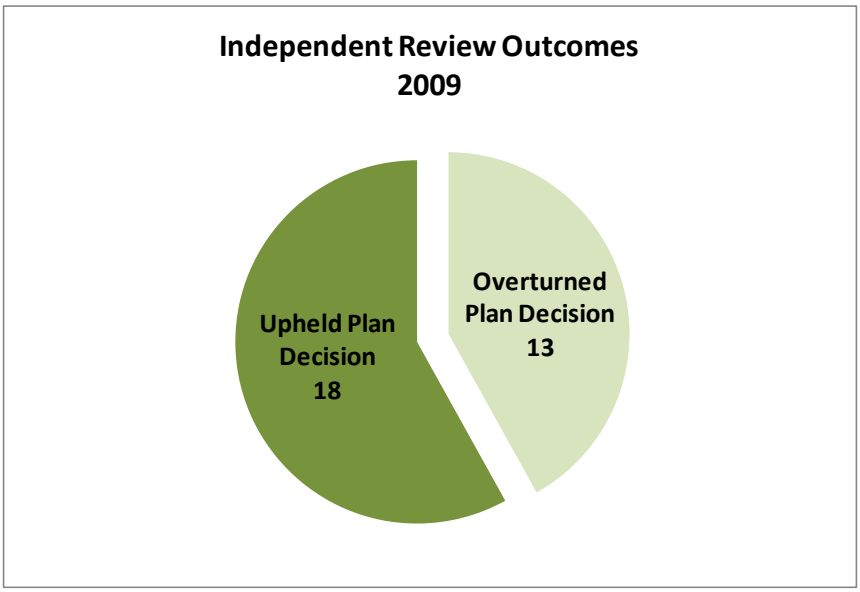
II. 2009 Independent Reviews

This report summarizes Independent Review (IR) requests by State Group Health Insurance Program members. Members who request IRs must have completed the plan grievance process and may have completed a portion of the administrative review process available within ETF.

To be eligible for a review through an Independent Review Organization (IRO), a member must have an adverse determination (grievance decision) involving a medical judgment where the amount at issue is in excess of $296. Typically, these are denied requests for out-of-network referrals or denials of a claim or service that the plan (or PBM) has deemed experimental or not medically necessary. The IR process allows members the opportunity to have an independent consultant review their grievance to determine if benefits are payable. The IRO's decision is binding on both the plan and the member. Therefore, once an IRO decision has been made, the member no longer has rights to an administrative review through ETF.

Ombudsperson Services is responsible for educating members about the IR process. When the Department processes a new health insurance complaint, an ombudsperson reviews it and, if appropriate, contacts the member to educate them about the IR option. We also monitor health plan grievance decision letters to ensure that members are given IR rights whenever applicable.

For 2009, plans reported receiving 31 requests for independent reviews by Group Health Insurance Program members. In 13 cases, the IRO overturned the plan's original decision, while in 18 cases the IRO upheld the plan's original decision.



Health plans are required to report member requests for IR to ETF at the time the request is made. This allows Ombudsperson staff the opportunity to notify the member of their loss of ETF administrative review rights. This year, there were several health plans with inconsistencies in reporting of both requests for IR and/or the outcomes of the reviews. In addition, the number of reported IR requests remains low when compared to the total number of grievance decisions that were eligible for IR. This indicates that only a small percentage of members entitled to an IR elect to take advantage of this option. The Department will continue to work with plans to revise plan reporting methods to ensure compliance with the contractual requirements of including IR language with the plan's grievance decision letters and timely reporting of all IR requests and IR outcomes to ETF.

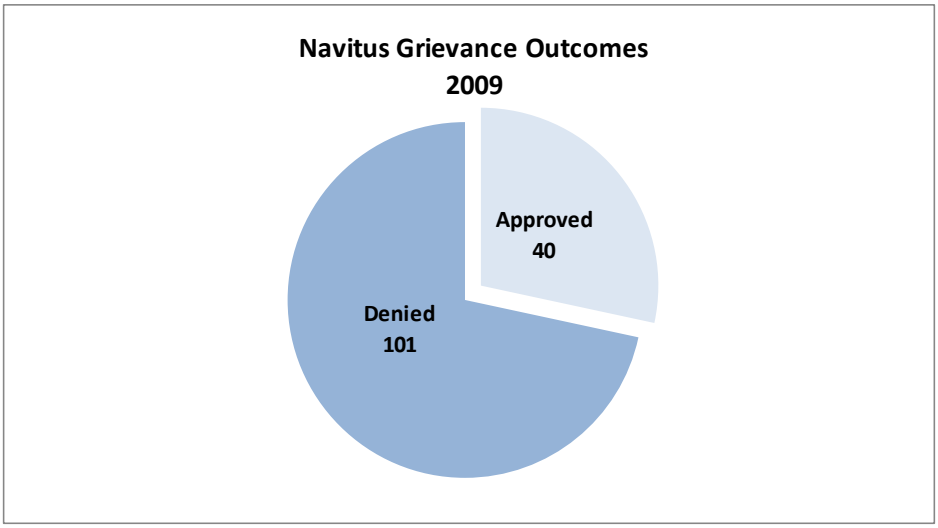
The attached charts provide more detailed information on grievances and outcomes. Percentages in the attached charts are approximate due to rounding.

Ombudsperson Services staff will be available at the meeting to answer questions.

Attachments

Pharmacy Benefit Manager Grievances – 2009

Grievance Category	Totals	% of Total Grievances
Copayment Reduction	50	35.46%
Experimental	9	6.38%
Non-Covered Drug	44	31.21%
Other (non-participating pharmacy)	1	0.71%
Prior Authorization	20	14.18%
Quantity Limit	13	9.22%
Reimbursement Request	4	2.84%
Total	**141**	100.00%

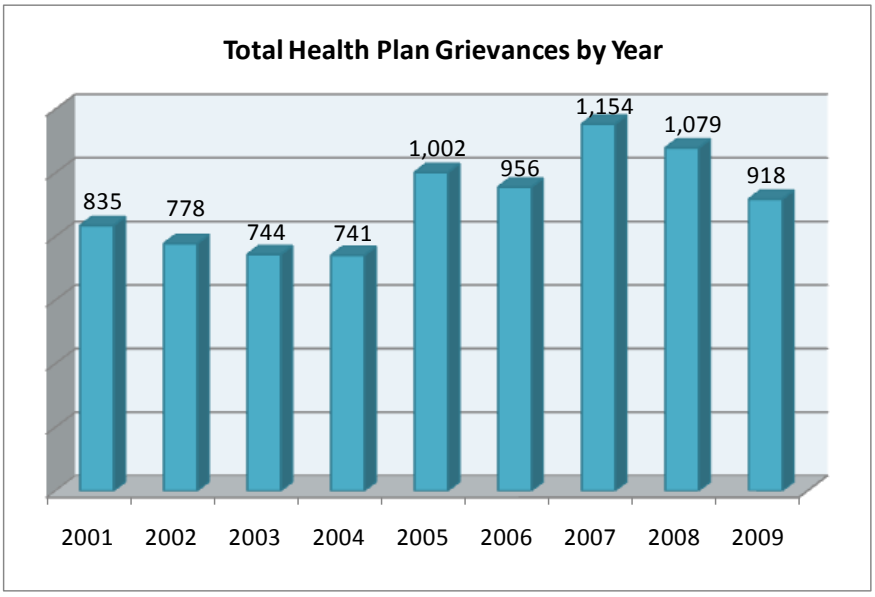


Attachment A

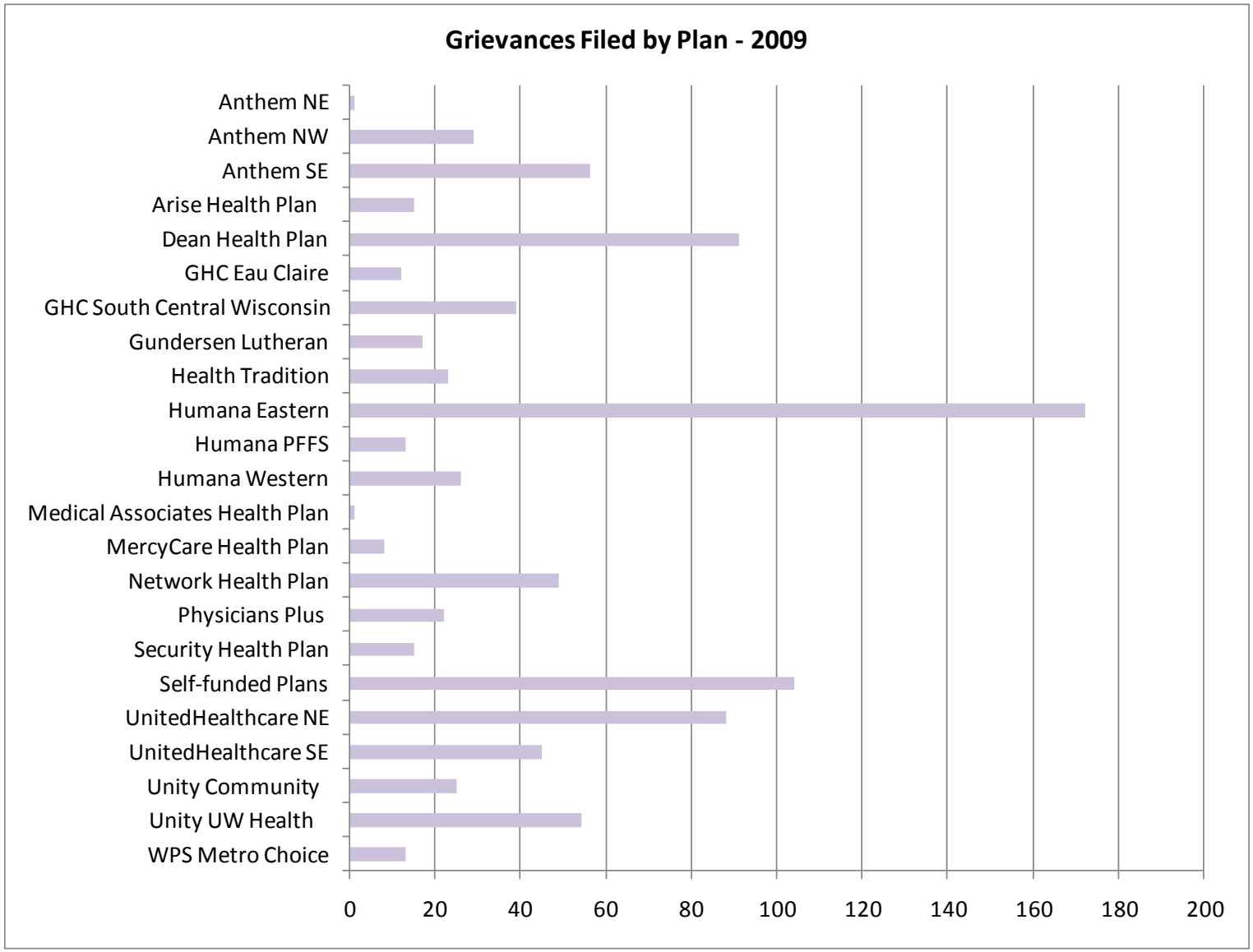
Grievances Filed by Health Plan
2007-2009

Health Plan Name	Grievances 2007	Grievances 2008	Grievances 2009	Net Change (2008 to 2009)	Grievance Ratio
Anthem NE*	NA	NA	1	NA	1.0
Anthem NW	12	44	29	-15	5.8
Anthem SE	35	59	56	-3	1.2
Arise Health Plan	8	11	15	4	0.7
Dean Health Plan	141	111	91	-20	0.2
GHC Eau Claire	17	17	12	-5	0.1
GHC South Central Wisconsin	21	21	39	18	0.3
Gundersen Lutheran	11	25	17	-8	0.3
Health Tradition	39	14	23	9	0.4
Humana Eastern	251	192	172	-20	1.0
Humana PFFS**	NA	11	26	15	2.2
Humana Western	63	53	13	-40	0.8
Medical Associates Health Plan	1	2	1	-1	0.1
MercyCare Health Plan	12	8	8	0	0.4
Network Health Plan	31	54	49	-5	0.4
Physicians Plus	25	20	22	2	0.1
Security Health Plan	40	25	15	-10	0.2
Self-funded Plans***	127	105	104	-1	0.8
UnitedHealthcare NE	132	117	88	-29	0.8
UnitedHealthcare SE	66	68	45	-23	0.6
Unity Community	18	19	25	6	0.3
Unity UW Health	89	79	54	-25	0.2
WPS Metro Choice****	15	24	13	-11	1.2
Grievance Totals (Health)	**1,154**	**1,079**	**918**	-161	0.4

**Anthem NE was first introduced to ETF members for coverage effective January 1, 2009.*
***Humana Private Fee for Service (PFFS) Plan was first introduced to ETF members for coverage effective January 1, 2008.*
****Self-funded Plans include: Standard Plan; Medicare Plus $1,000,000; Local Annuitant Health Plan; and State Maintenance Plan (administered by WPS Health Insurance)*
*****WPS Patient's Choice 1 and 2 merged into WPS Metro Choice in 2009 therefore 2007 and 2008 totals for Patient Choice 1 and 2 are combined.*



Attachment B



Attachment C

2009 Health Plan Grievances by Type and Outcome

Plan Name	Access to Care	Continuity of Care	Drug & Drug Formulary	Emergency Services	Experimental Treatment	Prior Authorization	Non-Covered Benefit	Not Medically Necessary	Other	Plan Administration	Plan Providers	Request for Referral	Total	% of All Grievances	Approved	Denied	Compromise	Withdrawn	% with Favorable Outcome (approval or compromise)
Anthem NE*	0	0	0	0	0	0	0	0	0	0	1	0	**1**	0.1%	1	0	0	0	100.0%
Anthem NW	0	0	0	0	1	0	2	0	0	1	24	1	**29**	3.2%	18	4	7	0	86.2%
Anthem SE	0	0	0	10	2	0	12	2	2	1	27	0	**56**	6.1%	30	20	6	0	64.3%
Arise Health Plan	0	0	0	0	3	3	4	3	0	0	0	2	**15**	1.6%	3	9	2	1	33.3%
Dean Health Plan	1	0	0	0	7	21	16	15	0	9	0	22	**91**	9.9%	39	45	5	2	48.4%
GHC Eau Claire	0	0	0	0	2	0	7	1	0	0	2	0	**12**	1.3%	3	7	0	2	25.0%
GHC SCW	0	0	0	15	0	0	8	5	0	4	6	1	**39**	4.2%	16	21	0	2	41.0%
Gundersen Lutheran	0	0	0	0	1	5	7	2	0	0	0	2	**17**	1.9%	7	8	1	1	47.1%
Health Tradition	0	0	0	1	1	1	18	2	0	0	0	0	**23**	2.5%	10	11	0	2	43.5%
Humana Eastern	4	0	0	9	11	33	49	12	39	4	2	9	**172**	18.7%	103	63	5	1	62.8%
Humana Western	0	1	0	0	1	4	10	1	6	1	0	2	**26**	2.8%	9	16	1	0	38.5%
Humana PFFS**	0	0	0	0	0	0	1	2	4	6	0	0	**13**	1.4%	4	8	1	0	38.5%
Medical Associates Health Plan	0	0	0	0	0	1	0	0	0	0	0	0	**1**	0.1%	1	0	0	0	100.0%
MercyCare Health Plan	0	0	0	0	0	4	2	0	1	0	0	1	**8**	0.9%	7	0	0	1	87.5%
Network Health Plan	0	0	0	1	2	1	41	1	3	0	0	0	**49**	5.3%	25	24	0	0	51.0%
Physicians Plus	0	0	0	6	0	12	2	0	1	1	0	0	**22**	2.4%	7	15	0	0	31.8%
Security Health Plan	0	0	0	0	1	3	7	2	0	0	1	1	**15**	1.6%	6	9	0	0	40.0%
Self-funded Plans***	0	0	0	1	12	0	29	36	4	21	1	0	**104**	11.3%	37	56	4	7	39.4%
UnitedHealthcare NE	1	0	0	2	16	0	9	0	15	38	7	0	**88**	9.6%	55	32	1	0	63.6%
UnitedHealthcare SE	0	0	0	2	8	0	7	0	8	17	3	0	**45**	4.9%	28	17	0	0	62.2%
Unity Community	0	0	0	0	2	8	13	1	0	1	0	0	**25**	2.7%	5	20	0	0	20.0%
Unity UW	0	0	0	0	1	21	17	9	0	6	0	0	**54**	5.9%	12	37	3	2	27.8%
WPS Metro Choice****	0	0	0	0	1	0	2	3	0	7	0	0	**13**	1.4%	4	8	1	0	38.5%
Total	**6**	**1**	**0**	**47**	**72**	**117**	**263**	**97**	**83**	**117**	**74**	**41**	**918**	100.0%	**430**	**430**	**37**	**21**	**51.8%**
% of Total Grievances	0.7%	0.1%	0.0%	5.1%	7.8%	12.7%	28.6%	10.6%	9.0%	12.7%	8.1%	4.5%	100.0%		46.8%	46.8%	4.0%	2.3%	

Attachment D