



Report to

**Governor Dannel P. Malloy
Insurance and Real Estate Committee
Public Health Committee**

**Concerning the
Regulation of Managed Care**

**Presented by
Connecticut Insurance Department
Katharine L. Wade, Commissioner
April 13, 2015**

Executive Summary

The Connecticut Insurance Department (CID) provides an annual comprehensive report on managed care organizations (MCOs) operating in Connecticut. This report is submitted to the Governor's Office and the Legislature's Committees of Insurance and Real Estate and Public Health as mandated by Conn. Gen. Stat. §38a-478a. This annual review helps ensure that the MCOs regulated by the CID are accountable and responsive to consumers and that patient rights are respected and upheld.

The information in this attached Managed Care Report is a broad-based overview of the CID's regulation and enforcement activity of MCOs. The CID's overview also includes scrutiny of MCOs' compliance in their policies and consumer protections with regard to federal health care reform - Patient Protection and Affordable Care Act (PPACA).

The CID is pleased to offer this report to provide insight into the work that Department staff does every day and tools available to the public in furtherance of our regulatory mission of consumer protection.

Among the report highlights, CID personnel:

- Compiled the annual [Consumer Report Card](#), a comprehensive comparison of managed care organizations in the state
- Handled 1046 MCO-related consumer complaints
- Spoke to more than 1,352 citizens
- Participated in numerous public outreach programs
- Examined compliance for 54 Utilization Review companies licensed during 2014 in Connecticut
- Distributed more than 2,101 informational pamphlets
- Administered the External Review Program
- Provided oversight for 26 licensed Preferred Provider Networks

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I. Organizational Structure of the Insurance Department

The CID comprises the following divisions:

Administration – The Office of the Commissioner

Computer Support

Consumer Services & Business Regulation

Financial Examination

Actuarial

Legal

Life & Health

Property & Casualty

The following are the duties and responsibilities of divisions that have direct oversight of managed care:

Life and Health Division

- Reviews and approves managed care policy rates, forms, riders and applications
- Licenses utilization review companies
- Publishes managed care report card
- Provides technical support to Consumer Services & Business Regulation Division, MCOs, the Legislature and other state agencies regarding managed care issues

Consumer Services & Business Regulation

Consumer Affairs Health Insurance Unit

- Reviews managed care and UR complaints
- Oversees external review process
- Mediates claim disputes to determine whether statutory requirements and contractual obligations within Commissioner's jurisdiction have been met
- Conducts active outreach program to inform and educate consumers

Market Conduct

- Oversees UR compliance program on companies licensed by the CID to protect rights of health plan participants
- Examines data through surveys, on-site and desk audits
- Impose administrative action, including fines and remediation agreements, in cases of non-compliance

II. External Review Process

Four entities were chosen through a competitive bidding process to conduct external reviews for the Insurance Department. The entities selected to perform external reviews for the period January 1, 2014 through December 31, 2015 are:

1. IPRO, Inc.
1979 Marcus Avenue
Lake Success, NY 11042
2. MAXIMUS Federal Services, Inc.
11419 Sunset Hills Road
Reston, VA 20190
3. National Medical Reviews, Inc.
260 Knowles Avenue – Suite 330
Southampton, PA 18966
4. Permedion
350 Worthington Road, Suite H
Westerville, OH 43082

[Consumer's Guide To Appealing Health Insurance Denials](#)

The Department publishes an external review guide, "[Consumer's Guide to Appealing Health Insurance Denials](#)." This consumer-friendly brochure focuses on four main goals:

- To inform consumers of the eligibility requirements for both internal carrier level appeals and for an independent external review.
- To educate consumers on how medical necessity reviews are conducted by their insurance companies and how they can most effectively appeal these denials.
- To provide consumers with a "[Request for External Review](#)" form and the information necessary to properly file for an external review.
- To inform consumers as to how the external review process will work once all the necessary information to conduct the appeal is submitted.

Copies of the brochure are available by contacting the CID or by accessing the CID's [Web site](#). In addition, each utilization review denial letter from a utilization review company or managed care organization must inform the enrollee as to how to contact the CID in order to obtain information regarding the external review process. The final denial letter to an enrollee from the managed care organization or utilization review company must also include a copy of the external review application and brochure.

External review requests in 2014

- 332 requests for external reviews received
- 111 not accepted for full review because the enrollee did not meet eligibility requirements.
- 10 withdrawn before full review
- 211 accepted for full review
 - 72 (34%) reversed UR companies' denials
 - 134 (64%) denials upheld
 - 5 (2%) revised denials
 - 0 currently pending

III. Consumer Report Card

In February 2014, the CID sent a survey to all managed care organizations (MCOs) in Connecticut, asking for information that would be included in the consumer report card. Each MCO was required to provide the requested information to the CID by May 1, 2014, with the exception of the Health Plan Employer Data and Information Set (HEDIS) data and Medical Loss Ratios (State/Federal) that, by statute, was not required until July 1, 2014. The Report Card was published October 1, 2014.

Report Card Contents: The CID required each MCO to file the following:

- Number of providers, specialists, hospitals and pharmacies by county
- Percentage of primary care physicians who are board certified
- Percentage of specialists who are board certified
- Percentage of employer groups who did not renew their contracts
- Provider turnover rate
- Profit/non-profit status
- Enrollment
- NCQA accreditation status
- Medical loss ratios (State/Federal)
- Utilization review statistics
- Mental health benefit utilization measures, including:
 - Inpatient discharges and average lengths of stays;
 - Follow-up after hospitalizations for mental illness;
 - Anti-depressant medication management; and
 - Mental health, alcohol and other drug services broken down by level of care
- Customer service information
- Breast cancer screening measures
- Cervical cancer screening measures
- Colorectal cancer screening measures
- Controlling high blood pressure measures
- Cholesterol management for patients with cardiovascular disease measures
- Childhood immunizations measures
- Pre-natal and post-partum care

- Adult access to preventive care
- Eye exams for people with diabetes
- Beta blocker treatments after a heart attack
- Outpatient prescription drug utilization
- Claim denial data
- Member Satisfaction Survey results

Report Card Distribution

The CID broadly distributed the Report Card by:

- Posting a copy on our [Web site](#)
- Mailing a copy to every public library in the state
- Mailing copies upon request from individuals or organizations
- Advising every lawmaker by letter on how to access the report on our Web site
- Distributing at consumer outreach programs
- Issuing a press release to state-wide media outlets (print, radio, TV, Internet)
- Sharing it through CID's social media sites – [Facebook](#) and [Twitter](#)
- Providing it to walk-in visitors at CID

IV. Utilization Review

The CID is responsible for the licensing of all utilization review (UR) companies in accordance §38a-591j of the Connecticut General Statutes. In addition, each utilization review license is renewed annually on October 1. As part of the CID's renewal requirements, each utilization review company is required to demonstrate compliance with all statutory requirements.

There were 54 utilization review companies licensed or pending license renewal in Connecticut as of December 31, 2014.

The **Market Conduct** unit of the Consumer Services and Business Regulation Division conducted examinations of utilization review companies to determine if the companies are operating in compliance with all statutory requirements, including timeliness of decisions and notification requirements, adherence to confidentiality laws, and use of appropriate medical personnel.

The unit reviews company protocols and procedures used in the decision making to determine if the protocols and procedures are clearly communicated in written form. Additionally, the unit ensures that the protocols are periodically updated to reflect changes in medicine and statute and developed with local input from appropriately licensed medical professionals. The protocols must be made available to providers upon request. The unit also verifies, through review of sample case files, that specialists in the relevant medical fields are involved in utilization review determinations.

A written report is issued at the conclusion of the examination that states any compliance exceptions noted and the actions required of the company to remedy the exceptions.

2014 Utilization Review Market Conduct Survey:

- 54 licensed (as of January 1, 2014) UR companies were surveyed for compliance with state requirements
- 6 identified for more comprehensive review
- 8 administrative actions were imposed
- The most frequent areas cited for improvements or modifications were:
 - Failure to maintain sufficient documentation for regulatory review
 - Lack of proper appeal language
 - Failure to provide timely determination and appeal responses
 - Erroneous reporting of utilization review information to the Insurance Commissioner

V. Consumer Complaints and Responsive Advocacy

The CID's Consumer Affairs Unit (CAU) continued its strong advocacy for enrollees and policy-holders in 2014. The unit helped the CID recover and return \$4.3 million owed to consumers in all insurance categories with more than \$2.5 million recovered from health and accident claims.

The Health Insurance sub-unit of the CAU researched and responded to 1046 complaints concerning managed care organizations. Of those complaints, 911 were filed by or on behalf of enrollees and 135 were filed by providers. Claim payment delays accounted for 9 percent of all complaints.

The CAU maintains a record of all complaints filed and how many of those filed are determined to be justified against the managed care organizations. A [ranking report](#) of licensed companies based on justified and questionable complaints is published annually by the CID and is available on our Web site.

VI. Outreach

Consumer awareness, education and outreach are essential for policy-holders and enrollees to understand their rights and avenues of recourse. The professional and knowledgeable staff at the CID helps consumers "demystify" their health insurance each and every day.

The CID launched a broad multimedia "Here for You" campaign designed to raise awareness of the benefits of using the Consumer Affairs Unit. The campaign featured three award-winning television public service announcements that aired on the major networks in Connecticut. The campaign also included nearly six months of bus signage on CT Transit buses in the greater Hartford area. The campaign was funded by the Department's Consumer Education Fund, supported solely by industry fines and not taxpayer dollars. The marketing vendor on the campaign, chosen after a transparent RFP process, was Don Wilson, Inc., a Hartford based ad agency working in partnership with the Connecticut Economic Resource Center (CERC).

Consumers have numerous ways to reach the CID, including phone, fax, e-mail and online links of that can be found on the Web site link titled: [“File a Complaint/Ask a Question.”](#)

The CID continues to improve its access to the public through ongoing updates of our Web site as well as through other social media such as [Facebook](#), [Twitter](#) and [YouTube](#).

Off-site, the CID participated in numerous outreach activities, including health fairs, small business groups, throughout 2014 in an effort to educate both the public and private sectors.

2014 Consumer Outreach Activity

- Outreach representatives spoke to more than 2,101 Connecticut residents
- Distributed more than 1,352 pamphlets
- Responded to more than 173 requests for informational brochures
- Consumers were reached via newspapers, radio, cable access, network television, radio programs and social media outlets.
- The CID reprinted its Consumer Affairs brochure to reflect the 2014 “Here for You” campaign.

VII. Other

Connecticut General Statute §38a-479aa requires Preferred Provider Networks (PPNs) to be licensed with CID. A PPN is defined as an entity other than a managed care organization that accepts financial risk, pays claims (in the form of provider reimbursements) and contracts with providers for service. As of December 31, 2014, twenty six (26) PPN entities were licensed.

Connecticut General Statutes §38a-479qq - §38a-479rr require Medical Discount Plan (MDP) Organizations to be licensed with the CID. A MDP organization is defined as a person that: (A) establishes a medical discount plan, (B) contracts with providers, provider networks, or other MDP organization to provide health care services at a discount, and (C) determines the fees charged to members for the plan. Specifically excluded from licensing requirements are health insurers, health care centers, hospital service corporations, medical service corporations, or fraternal benefit society licensed in this state or any affiliate of such health insurer or center. Also excluded from licensing are MDPs that issue discount cards that consumers can buy for less than twenty-five dollars (\$25) annually, irrespective of the amount of the discounts. As of December 31, 2014, eighteen (18) MDP Organizations were licensed.

Each managed care organization is required to file a report on its quality assurance plan, including prior authorization statistics and information required by the National Committee for Quality Assurance (NCQA) for the HEDIS. If a managed care organization did not submit HEDIS information to NCQA, the Commissioner deemed that the information required for the CID report card survey would be considered equivalent data. Much of the information received has been summarized and included in the “Consumer Report Card on Health Insurance Carriers in Connecticut” published by the CID in October 2014.

Pharmacy Benefit Managers (PBMs) are required to obtain a certificate of registration from the CID. As of December 31, 2014, twenty eight (28) PBMs were registered.

All contracts, applications, and related forms to be delivered in this state by a managed care organization must receive approval by the CID prior to use. The review of these forms includes compliance with all applicable statutes and regulations. All MCOs have filed with the CID copies of their template contracts that they use with their providers.

During 2014, the CID updated and maintained the following resources regarding managed care on its Web site:

- A [“Health Care Reform”](#) page with FAQs, fact sheets and videos on PPACA
- Updates to the [Mental Health Parity](#) Web site devoted to resources on behavioral health and substance abuse issues including new consumer publications and information on mental health parity
- Developed and posted the following new or revised publications:
 - Frequently Asked Questions on Mental Health Parity Rights Under Your Health Insurance Plan
 - Consumer’s Guide to Appealing Health Insurance Denials
 - CT Insurance Department Consumer Brochure For All Your Insurance Needs
 - Consumer Toolkit for Navigating Behavioral Health and Substance Care Through Your Health Insurance Plan
 - A Report on Mental Health Parity and Commercial Health Insurance Compliance
- List of all MCOs doing business in Connecticut
- Downloadable [Consumer Brochure](#)
- Downloadable copy of [“Consumer Report Card on Health Insurance Carriers in Connecticut”](#)
- Applications for
 - Utilization review license
 - Preferred provider network
 - Medical discount plan licenses

VIII. List of Managed Care Organizations as of December 31, 2014

Aetna Health, Inc.*

www.aetna.com

Aetna Life Insurance Company

www.aetna.com

Anthem Blue Cross & Blue Shield of Connecticut, Inc. *

www.anthem.com

Celtic Insurance Company

www.celtic-net.com

CIGNA Health & Life Insurance Company

www.cigna.com

ConnectiCare, Inc.*

www.connecticare.com

ConnectiCare Insurance Company, Inc.

www.connecticare.com

ConnectiCare Benefits, Inc.

www.connecticare.com

Golden Rule Insurance Company

www.goldenrule.com

Harvard Pilgrim Healthcare of CT*

www.harvardpilgrim.org

HPHC Insurance Company

www.harvardpilgrim.org

HealthyCT, Inc,

www.healthyct.org

John Alden Life Insurance Company

www.assuranthealthc.om

Oxford Health Insurance, Inc.

www.oxhp.com

Oxford Health Plans (CT), Inc.*
www.oxhp.com

Time Insurance Company
www.assuranthealthc.com

Trustmark Insurance Company
www.trustmarkinsurance.com

Trustmark Life Insurance Company
www.trustmarkinsurance.com

Union Security Insurance Company
www.trustmarkinsurance.com

United HealthCare Insurance Company
www.uhc.com

* Health Maintenance Organization (HMO)