

San Joaquin Valley Insurance Authority

BOARD OF DIRECTORS

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:
Tulare County Employee Retirement
Association Board Chambers
136 N. Akers Street
Visalia, CA 93291
January 20, 2012
9:00 AM

AGENDA DATE: January 20, 2012

ITEM NUMBER: 14

SUBJECT: Receive Direction on Revision of Appeals Process as Part of the 2012 Contract with Anthem Blue Cross

REQUEST(S): That the Board Give Staff Direction to Revise the Appeals Process as part of the 2012 Contract with Anthem Blue Cross

DESCRIPTION:

The current contract with Anthem Blue Cross for Administrative Services and the Evidence of Coverage (EOC) documents for the PPO plans under the SJVIA currently mirrors the Anthem provisions for their fully insured plans. As a self insured entity, the SJVIA has the choice to either follow the Anthem model or amend the policy to allow for more control of approval or denial of appealed claims.

The current provisions with Anthem provide for claims appeals in writing through a medical reviewer within Anthem to determine if a claim is payable according to the specified plan benefits. If the initial appeal is again denied either in whole or in part and is considered unsatisfactory, a request for an appeal of a reconsidered decision may be submitted to Anthem for review. If this second appeal decision upholds the claim denial, the participant may choose to move forward with binding arbitration to which there are administrative and legal costs associated.

In researching plan procedures and contract language for groups similar to the SJVIA, Staff and GBS recommends editing the EOC documents for the PPO plans to include an external review by an Independent Review Organization (IRO) as another appeal opportunity prior to binding arbitration. A review performed by an IRO costs approximately \$500 and is payable by the participant requesting the review.

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As part of the claim appeal process, if any of the reviews find the claim to be valid, the claims administrator, on behalf of the SJVIA will reimburse the participant for the incurred claims expenses.

Also, during the appeals process, if the routine decision-making procedure could pose a threat to the health of the participant, an expedited appeal decision could be provided within 72 hours.

Sample external review process language is attached for your Board's review and approval.

FISCAL IMPACT/FINANCING:

None.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Jeffrey Cardell
Assistant SJVIA Manager

**BEFORE THE BOARD OF DIRECTORS
SAN JOAQUIN VALLEY INSURANCE
AUTHORITY**

IN THE MATTER OF Revision of Appeals Process as Part of the 2012 Contract with Anthem
Blue Cross

RESOLUTION NO. _____
AGREEMENT NO. _____

UPON MOTION OF DIRECTOR _____, SECONDED BY DIRECTOR _____
_____, THE FOLLOWING WAS ADOPTED BY THE BOARD OF DIRECTORS, AT AN
OFFICIAL MEETING HELD _____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board Gave Staff Direction to Revise the Appeals Process as part of the 2012 Contract
with Anthem Blue Cross

Standard External Review

If you are dissatisfied with the final internal appeal determination, and the determination involves medical judgment or a rescission of coverage, you, a designated representative, a provider or an attorney on your behalf may request an external review within four months after notice of the final internal appeal determination. Instructions for filing a request for an external review will be provided along with the final internal appeal response letter.

The external review process will be completed by a qualified Independent Review Organization agency that has no ties to the SJVIA's Claims Administrator. The results of the external review will be used to determine if all or part of the appeal is deemed to be valid. If the external review determines all or part of the appeal is valid, the Claims Administrator, will be notified, and on behalf of the SJVIA, shall reimburse you for those expenses which the external review agency has allowed as a result of its review of the external appeal process.

Expedited External Review

If your situation is eligible for an expedited decision, you, a designated representative, a provider or an attorney on your behalf may request external review within four months from the adverse benefit decision without participating in the initial or final internal appeal process. To request an expedited decision, you, a designated representative, a provider or an attorney on your behalf may fax a request to (xxx) xxx-xxxx, or write to the address listed below. Specifically state that you want an expedited external review decision and that waiting for the standard processing might seriously jeopardize your health.

Anthem Blue Cross / External Review Agency
[Contact Information]

Other Resources to Help You

For questions about your appeal rights, or for assistance, you may contact the Employee Benefits Security Administration at 1-866-444-EBSA (3272).