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Testimony on House Bill 5303
An Act Requiring Reporting of Certain Health Insurance Claims Denial
Insurance Committee – March 4, 2010
Submitted By: Stephen A. Karp, MSW

On behalf of the National Association of Social Workers, CT Chapter, representing over 3400 members we support House Bill 5303. This bill will spread light for consumers and employers on the rate of denials of claims per managed care organization.

The Office of Health Care Advocate has tracked the number of complaints brought to their office based on the nature of complaints. Since 2006 each year the largest number of complaints has been Denied Service/Treatment. In 2006 and 2007 the number of such complaints respectively was 286 and 274. In 2008 that number of complaints was 232, but in 2009 it dramatically rose to 510, an over 50% increase in one year! This may be due to an increase awareness of the Health Care Advocate's office or insurers seeking greater profitability, but either way it speaks to the importance of having claims denial information made public in a way that allows for tracking trends and informing purchasers of health insurance.

As an association that represents social workers, including clinical social workers, one of the most common complaints that we receive regarding managed care organizations is denial of initial treatment, or denial for continued treatment. This corresponds with additional data of The Office of Health Care Advocate that shows that mental health is consistently, each year, the category with the highest frequency of complaints. Again, HB 5303 will shed valuable light and information on the level and prevalence of denials of care.

In reviewing the bill's provisions we recommend to the Insurance Committee that the bill language be modified to require that MCOs report mental health data separately per each category. The reason for this is that complaints related to mental health have the greatest frequency, as noted above, and over the years have led to disputes between MCOs and mental health providers as to the question of whether mental health care is given true parity by insurers. For example, one major MCO has a long record of denying the necessary level of care for eating disorders, despite the fact that such a disorder often becomes life threatening. Reporting mental health data separately will go a long way to addressing the issue of parity. This recommended change in language also has precedent in the current statute (Section 38a-478l of the general statutes) whereby the consumer report card includes information on mental health as a separate category.

HB 5303 will build greater transparency and provide valuable information that allows consumers and employers to be well educated and better informed as they purchase health care insurance. We urge passage of this bill.