

## **ISMA/Anthem Compliance Dispute Questions & Answers**

### **Q-1. Why has the Indiana State Medical Association (ISMA) filed a compliance dispute against Wellpoint/Anthem and what does it include?**

**A.** The basis for the compliance dispute is a systemic breakdown in Anthem's claims processing, claims payment, customer service and communications areas since approximately October 2007.

Here are the main points covered in the dispute:

1. Claims processing and payment – Anthem has failed to properly and timely process and pay claims to numerous physician practices, without payment of interest and resulting in inappropriate recoupments or denials. Claims are not being adjudicated properly. Electronic mechanisms to submit claims, verify eligibility and check status of claims have not worked properly. Anthem has routinely required practices to resubmit claims. Patient eligibility information has been inaccurate.
2. Customer service and responsiveness – Anthem has failed to invest sufficient resources to improve the speed, accuracy and efficiency of responses to physician inquiries and concerns.
3. Communication – Despite Anthem's knowledge of its problems, it chose not to communicate them to physicians and sometimes provided false information.
4. Systems Improvements – Anthem failed to improve efficiency of the claims adjudication process, improve Internet functionality, reduce claim resubmissions, and improve accuracy of plan member eligibility information.

### **Q-2. Is this compliance dispute the same as a lawsuit?**

**A.** No. The ISMA is not filing a lawsuit.

The ISMA is taking advantage of a complaint process created in a class action lawsuit filed in 2000. The result of the lawsuit was a Settlement Agreement that went into effect in 2006. The settlement agreement set up an administrative process to hold Anthem accountable for violations like those experienced by ISMA members.

**Q-3. How does this process compare to complaints practices can file with the Indiana Department of Insurance?**

A. Although the Settlement Agreement does include some provisions that are similar to state insurance laws (e.g., prompt payment and recoupments), the Settlement Agreement is much more comprehensive and broad; in some cases, it even includes self-funded plans.

**Q-4. What did the original class action suit of 2000 require Wellpoint/Anthem to do?**

A. Wellpoint/Anthem was required to improve its claims systems and processes, increase Internet and Clearinghouse functionality, implement processes to reduce claim resubmission, pay claims within 15 days, reduce overpayment recovery procedures and reduce inaccurate information about eligibility of plan members. The settlement agreement that resulted from the class action suit has been in effect since 2006. For nearly half of that time, Anthem has had systemic violations in each of the above listed categories. These violations are the subject of the ISMA's compliance dispute.

**Q-5. How is the compliance dispute filed?**

A. The Wellpoint/Anthem Settlement Agreement provides a process for filing a compliance dispute with a compliance dispute facilitator (CDF). The CDF reviews the dispute, determines its validity, and sends it to a mediator. The CDF, an attorney, represents the individual or group who filed the dispute.

The Wellpoint Compliance Dispute Facilitator is Cameron Staples, JD, of Neubert Pepe & Monteith, PC, New Haven, Connecticut.

**Q-6. Is the ISMA the only organization that has filed a dispute in this matter?**

A. The ISMA is the only medical association in the five-state affected area that has filed a dispute. At least one or two Indiana physician practices have also filed disputes.

**Q-7. How much will filing the compliance dispute cost?**

A. Under the Settlement Agreement, Anthem is required to pay all costs of the compliance dispute process. Therefore, there is no cost to the ISMA or practices to file the compliance dispute. However, it is a very time-intensive process. The ISMA staff and officers have spent numerous hours for more than 20 months assisting members with problem claims and compiling information about the continuing processing problems.

**Q-8. Do practices have to do anything to be included in ISMA's dispute?**

**A.** No, the dispute is being filed on behalf of all Indiana physicians. However, the ISMA may ask for assistance gathering documentation to support the dispute. Practices that have not contacted ISMA staff about their problems should do so.

**A timeline of occurrences**

**Q-9. What happened with Anthem and when?**

**A.** In October 2007, Anthem performed a computer system migration or changeover to handle claims in its BlueCard Program. The migration affected a five-state area: Indiana, Ohio, Missouri, Kentucky and Wisconsin. Ohio and Indiana appear to have been most affected, likely because Anthem has a large market share in those two states.

The ISMA began receiving calls from individual physician practices in late 2007 and early 2008 about Anthem claims processing problems. No patterns were evident at that time. The ISMA contacted physicians' offices and learned that numerous practices were experiencing similar problems and in many cases were unable to obtain accurate information or effective assistance from their Anthem provider relations representatives or customer service.

**Q-10. What types of practices were most affected by Anthem's problems?**

**A.** Anthem's problems were not limited to particular groups. They affected primary care, specialists, solo and group physician practices and employed physicians. Again, the problems occurred in Indiana, Ohio, Missouri, Kentucky and Wisconsin.

**Q-11. How many claims were affected by this computer issue?**

**A.** At the December 2008 meeting with the ISMA, Anthem said the claims inventory was 643,000, down from 1.4 million earlier in the year. There was a provider inquiry backlog of 443,000 in August 2008 and 327,000 as of December 2008. On March 19, 2009, the inquiries backlog was 185,906, and as of May 5, 2009, that inquiries backlog was 65,000, according to Anthem. It is unclear at this time how many patients, doctors, practices or claims were affected since this all started in 2007.

**Q-12. How much claims money is involved?**

A. There's no way to accurately calculate the amount. Obviously, the situation is costly to everyone involved. Physicians and their staffs have spent hundreds of hours seeking resolution to the claims problems.

**Q-13. What about patients? How are they affected by the claims processing errors and delays?**

A. The situation strained the patient/physician relationship as some patients worried their claims had not been filed properly. In some cases, processing errors caused patients to pay improperly assessed higher co-pays. Long delays in claims processing caused some patients to face the unexpected burden of paying bills months after a medical service was provided. ISMA member physicians provided examples of some patients initially being denied treatment because Anthem mistakenly said the treatment would not be covered. In one case, a patient reportedly stopped going to the physician due to embarrassment over an unpaid bill.

**Q-14. What kind of timeframes did Anthem give for when problems would be resolved?**

A. Anthem has given various timelines to multiple groups. As of December 2008, Anthem predicted 90% of their claims processing problems would be fixed by Dec. 31, 2008, and that customer service issues would be resolved by January 2009.

In a second meeting with the insurer Jan. 26, 2009, Anthem said it expected to return to normal business in May 2009. Today, ISMA staff continue to receive calls from practices experiencing problems.

**Q-15. How has Anthem responded to inquiries from the ISMA?**

A. Anthem confirmed that their systems changeover had negatively impacted physicians. Payment delays, in-network physicians improperly identified as out of network, fee schedule and co-payment errors, and excessive telephone wait times were some of the problems discussed with the insurer at a December 1, 2008 meeting.

The ISMA asked Anthem what communication they had provided to physicians about the problems and was told Anthem made a corporate decision not to issue any communication to physicians. Rather they would respond to physicians' inquiries as received. Anthem declined ISMA's specific request to host physician education sessions around the state.

## **More on the dispute and expectations**

### **Q-16. How will filing the compliance dispute benefit ISMA members?**

- A. When such a large company with millions of insured lives has this kind of systemic violations, it hurts everyone. The computer systems merger caused a total breakdown in Anthem's primary functions. Terms of the Wellpoint Settlement Agreement expire July 15, 2009. Once it expires, the provisions requiring Anthem to improve its services are gone. Members with unresolved problems, or physicians and their patients who discovered new problems, would have no recourse.

In filing the compliance suit on behalf of all members, the ISMA seeks to ensure that any outstanding issues resulting from Anthem's October 2007 computer migration will be resolved. The systemic problems that have plagued patients, physicians and their staffs should never occur again.

### **Q-17. Will the compliance dispute result in the ISMA or affected ISMA members receiving monetary compensation?**

- A. No. The terms of the compliance dispute do not provide for monetary compensation. The purpose of the compliance dispute is correct processing and proper payment of claims for all patients and physicians.

### **Q-18. Does this have any connection to reports about hospitals and practices ending their contracts with Anthem, such as was reported recently about St. Francis Hospital & Health Centers, Union Hospital in Terre Haute or Norton Healthcare in Louisville?**

- A. No. Those reports concern private contracting issues and typically revolve around payment rates. State and federal laws prohibit the ISMA from interfering with contracts and receiving fee information. This compliance dispute is about Anthem's failure to pay past claims properly and to appropriately communicate with providers.

**Q-19. What is the status of practice complaints now?**

A. The ISMA continues to receive complaints indicating a number of issues remain unresolved. Some practices have recently contacted the ISMA with new problems not previously experienced.

**Q-20. What should practices do if they are still having claims processing and payment problems with Anthem?**

A. Contact Dan Kelsey at the ISMA. Practices can also file a complaint with the Indiana Department of Insurance at [www.state.in.us/idoi](http://www.state.in.us/idoi).

**Q-21. What would have happened if the ISMA had not filed the dispute?**

A. The Settlement Agreement would have expired on July 15 and any practice that had not filed its own dispute as of that date would have had no recourse in most cases.

**Q-22. What happens next with the compliance dispute process?**

A. The dispute will either go to informal negotiation with Anthem or it will go to formal mediation with a third-party mediator. The timelines have not yet been established.