

NEWS RELEASE

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State physician organization files compliance dispute against Anthem BC/BS

INDIANAPOLIS, IN– July 15, 2009 –The Indiana State Medical Association (ISMA) on July 9 filed a national compliance dispute against Anthem Blue Cross and Blue Shield. The ISMA is a physician organization affiliated with the American Medical Association (AMA), with 8,400 members statewide.

The recent action is provided for under a Wellpoint/Anthem Settlement Agreement of 2005, which resulted from a national lawsuit filed in 2000 by the AMA and numerous medical societies. The settlement agreement created an administrative process to hold Wellpoint/Anthem accountable for certain violations of claims processing and payment practices. The ISMA action is not a new lawsuit.

For nearly 22 months, the ISMA has been helping physician members resolve claims processing and payment delays caused by Anthem’s flawed computer system migration of October 2007 for its BlueCard program. Each claim represents an Indiana patient

“Our physician members told us Anthem’s claim processing problems strained patient/physician relationships when patients were led to believe their doctors improperly billed their claims or failed to submit information necessary to process their claims,” said Julie Reed, ISMA’s legal counsel.

Actual examples of what Indiana patients and physician offices experienced, as reported by the ISMA to the Indiana Department of Insurance (IDOI), effectively demonstrate what is occurring:

Patient experiences

- Anthem picked up an incorrect identifier, using a hospital’s laboratory and X-ray PIN number instead of the physicians’ number. The scanning error made patients pay a larger co-pay in error, and this continued for six months, despite numerous reports to Anthem. In spring 2009, scanning errors causing were still a problem.
- Breast cancer patients in a surgery practice were having their claims denied in error. The surgeon’s staff had to tell patients they could expect six to nine months to pass before the staff could get Anthem to pay their claims properly, and before the patients – already stressed by illness – would know what amounts they would have to pay.

- Patients' claims for specialty medical care were denied for ineligibility when, in fact, the patients were eligible Anthem insureds.

Medical office experiences – as reported in April 2009

- In early 2008, a practice had 106 claims paid to the wrong medical provider. Then the practice was sent a notice to pay back to Anthem the money it never received in the first place. The practice communicated 11 times to Anthem. When reported to the ISMA, only half the correct payments had been received.
- One specialty medical office was owed more than \$175,000 for 860 claims. The practice transmitted the claims electronically two or three times and has confirmation numbers indicating satisfactory transmittals. At the time the ISMA was advised, the practice was still being told by Anthem that the claims had not been received and could not be paid now because the timely filing deadline had passed.
- In a number of examples, Anthem sent checks in error to patients – for money owed to the physicians. The patients became angry when the practices attempted to collect the sums on claims that were, in some cases, over a year old.

Failed attempts to resolve

“The ISMA began receiving calls from members in late 2007 and early 2008 about Anthem claims processing problems,” said Reed. “We began contacting physician practices and reviewed the numerous complaints that had been filed with the Indiana Department of Insurance.”

According to reports the IDOI filed with the National Association of Insurance Commissioners, more than 1,500 complaints were filed against Anthem in the past 30 months. In 2008 alone, Anthem complaints increased 54 percent.

The ISMA found that practices were unable to obtain information or effective assistance through their Anthem provider relations representatives or customer service. Offices reported long telephone wait times, multiple inquiries and appeals, phone messages that went unanswered, and claim denials for insufficient information when documentation had been provided.

“The ISMA sent a letter in May 2008 encouraging the Indiana Department of Insurance to enforce the prompt pay law and also met with IDOI officials,” noted Reed. The physician association leaders also met with Anthem on two occasions and asked the insurer to alert Indiana physicians about the computer problems. Anthem refused to do so, and the problems continued – for both patients and physicians.

Various timelines Anthem provided the ISMA for resolution to the problems were not met; instead, timelines became a moving target.

“The ISMA is still receiving complaints indicating a number of issues remain unresolved and some new problems with Anthem have now appeared,” said Reed. “It’s time for all these problems to come to an end.”

To read more about the compliance dispute, see www.ismanet.org/news/media.htm.