

HEALTH INSURANCE:

What to Do if a Health Insurance Company Denies Your Claim

Major illness or a stay in the hospital following an accident can be stressful. It's not a time you want to be worried about your insurance coverage. However, for some insurance consumers, this is when they are hit with a denial - notification their insurance company won't pay all or part of a claim.

To help understand your options when a claim is denied, the National Association of Insurance Commissioners (NAIC) suggests these steps:

Read and Understand Your Policy

Your individual health insurance policy is a legal contract with an insurance company. It is imperative to read your policy thoroughly to understand your rights and responsibilities. Your policy will also detail the medical conditions and benefits for which the insurance company will and will not pay. If any part of the policy is unclear to you, seek additional clarification from your insurance agent or company.

If you have further questions, contact your state insurance department. Link to their Web site by clicking on "NAIC States & Jurisdictions" at www.naic.org.

What to Do if a Claim is Denied During Treatment

Make a list of questions and immediately contact your insurance company. You will find contact information on the back of your insurance card.

Keep notes of all conversations you have with company representatives. Include in your notes the name of the person with whom you speak, as well as the date and time of the conversation. Ask for the person's phone extension so you can contact them directly the next time you call. Listen carefully and make note of the answers given to you by that person.

Stay calm and be positive. It will make the process go more smoothly and could result in a more beneficial outcome on your behalf.

Be Persistent

Keep in mind that a simple error might have caused your claim to be denied. The hospital or the billing staff at your doctor's office might have entered an incorrect code when your claim was filed with the insurance carrier. Or your claim might have inadvertently been sent to the wrong insurance company. This type of error can usually be cleared up quickly with a single phone call.

If, after your initial conversation with the company, they still refuse to pay a claim, be persistent. While most insurers pay claims presented to them in a timely manner and in accordance with the wording in their policies, a few carriers might initially delay or deny the payment of a claim. If this occurs, be sure to obtain the claim denial in writing. You might need to make several calls to the company before it pays the claim.

What to Do if an Insurance Carrier Continues to Deny Your Claim

Contact your insurance department for assistance appealing your claim. Generally, you must first submit a letter to the insurance company requesting that your claim be reconsidered, giving specific reasons why you believe your claim should be paid. When composing your letter, be as detailed as possible explaining why your procedure or medication is necessary and should be paid for under your insurance policy. Request all evidence (medical records, x-rays, lab results, etc.) available in support of your claim and send it to the insurance company with your appeal letter. Be sure to keep a copy of everything you send to the insurance company for your records. In response to your letter, your insurance company will indicate the next steps in the process, as well as the time frame for any additional follow-up or appeals. They may also request additional information from you and/or your medical providers.

More Information

Make sure you check with your state insurance department about laws regarding health insurance claims. Link to your state insurance department's Web site via "NAIC States & Jurisdictions" at www.naic.org.

For more information about health, home, life and auto insurance options, and tips for choosing the coverage that is right for you and your family, go to www.insureUonline.org.