AN EXPLANATION OF AN INDIVIDUAL'S RIGHT TO APPEAL HEALTH INSURANCE DETERMINATIONS

Under the New Jersey Health Care Quality Act, certain individuals have the right to dispute a decision by a health insurance company or health maintenance organization or health service corporation (a carrier) concerning the medical appropriateness of requested covered services. Either the individual seeking the requested covered service or the health care provider (if authorized to act by the individual attempting to receive the service) can appeal to the carrier. If that appeal is unsuccessful, the individual or provider can appeal to an independent third party.

Internal Appeals Process

In most cases, the covered person or duly authorized provider MUST first comply with the carrier's internal appeal process BEFORE appealing to an independent third party. Under NJ law, a carrier must meet specific deadlines when responding to such an appeal. For persons covered under group plans the internal appeals process may require two stages. The deadlines for carriers to respond in each stage are:

- Stage 1: For cases involving urgent or emergent care a decision must be rendered within 72 hours. For all other cases a decision must be rendered within ten days.

- Stage 2: For cases involving urgent or emergent care a decision must be rendered within 72 hours. For all other cases a decision must be rendered within 20 days.

For persons covered under individual plans, there is only one stage of internal appeal and the timeframes for carrier responses are the same as those indicated above for "Stage 1."

Contact your carrier for information on how to follow the Internal Appeals Process.

**Deadline extensions are applicable under certain situations and with appropriate notice.*

Independent Health Care Appeals Program (IHCAP)

Appeals that remain unsuccessful after completion of the carrier's internal appeal process may be sent to the Independent Health Care Appeals Program (IHCAP.) This is called a Stage 3 appeal. The IHCAP applies to health benefits plans offered through Medicaid and in the individual health insurance market. Persons covered under a group plan through an employer should contact the employer regarding any appeal process that applies under the employer's group plan. The IHCAP does not apply to individuals on Medicare.

Under the IHCAP, an eligible person's claim will be reviewed by an independent arbiter, called an Independent Utilization Review Organization (IURO), that is selected by the Department of Banking and Insurance. An IURO will determine whether the carrier's decision inappropriately denied coverage for a medically necessary covered service. If the IURO accepts the appeal, it will make a determination within 45 days, or within 48 hours for emergent appeals. The IURO's decision is binding, but the parties may have other remedies under State or Federal law.

FOR MORE INFORMATION ABOUT IHCAP
CALL DOBI AT 1-609-292-5316 x50998
OR TOLL FREE AT 1-888-393-1062
OR VISIT THE DOBI WEBSITE AT
http://www.state.nj.us/dobi/division_insurance/managedcare/ihcap.htm

HOW TO APPLY TO THE IHCAP

- Applications for the Independent Health Care Appeals Program are available online at http://www.state.nj.us/dobi/chap352/352ihcapform.doc

- The following must be attached to the **signed** Application in order to be considered:

  - A $25.00 filing fee, via check or money order, made payable to "New Jersey Department of Banking and Insurance." *** DO NOT SEND CASH!**
  - A copy of the final written decision from the carrier;
  - A copy of the Summary of Insurance Coverage from the insurance policy, if available;
  - A copy of the Notice of Intent to Appeal an Adverse UM Determination – Stage 3 (provided to the patient by the insurance carrier if internal appeals were unsuccessful);
  - A copy of all medical records and correspondence to be reviewed; and
  - If the provider is filing on behalf of the patient: a copy of the Consent to Representation in Appeal of a Utilization Management Determination and Authorization of Release of Medical Records for Appeal and Arbitration of Claims form

*NOTE: The filing fee is waived if there is financial hardship evidenced by participation in the Pharmaceutical Assistance to the Aged or Disabled program, Medicaid, NJFamilyCare, General Assistance, SSI or New Jersey Unemployment Assistance.

- Mail to:

  New Jersey Department of Banking and Insurance
  Office of Managed Care
  PO Box 329
  Trenton, NJ 08625-0329
  (courier service: 20 West State Street, 9th floor)

IMPORTANT: SEND ONLY <u>COPIES</u> OF ALL DOCUMENTS; ORIGINALS WILL NOT BE RETURNED.

IF YOU HAVE QUESTIONS, CALL DOBI AT 1-609-292-5316 x50998 OR TOLL FREE AT 1-888-393-1062