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State Insurance Division Advises Consumers of Grievance Process

(PIERRE, SD) – South Dakotans who have received denials from their insurance companies for drug coverage or treatment have some options to contest that action, according to officials with the South Dakota Department of Revenue and Regulation, Division of Insurance.

Insurance Division Director Merle Scheiber says if a consumer disagrees with the insurance company's determination, they have the right to file a grievance or appeal. The key to taking such action is knowing the company's guidelines and not being afraid to ask for the proper information.

“Insurance companies are required to have processes in place for filing grievances and handling complaints. The best thing policyholders can do, especially if their coverage or treatment requests have been denied, is to ask what those processes are and take the appropriate action if they think the denial is unfair or unwarranted,” Scheiber said.

The following information indicates what action can be taken by policyholders if their request for drug coverage or treatment is denied:

Prescription Drug Coverage

Many health insurance policies provide coverage for prescription drugs but limit coverage to those prescriptions contained in their drug formulary. Drug formularies can change from year to year, meaning if your medication is on the drug formulary this year, it may not be the following year. Insurance companies must include a description of their drug formulary provisions as well as a mechanism for providing this information to policyholders.

If your prescription drug coverage is denied

Request a copy of the current drug formulary and ask what the company's policy is for requesting an exception to the formulary. If you decide to request an exception, you will want your doctor to communicate to the insurance company as to why that exception is needed from a medical perspective.

Treatment Denials

Denial of treatment can come in many forms: before (preauthorization or pre-approval), during (concurrent review), or after (retrospective review) the desired treatment. For most such policies, the insurance company has certain procedures that must be followed and must provide an avenue for appeal of their adverse decisions.

If your treatment request is denied

If you disagree with the insurance company's determination, you can file a grievance with the company anytime within 180 days of the adverse decision. Once filed, the insurance company will hear the grievance and decide whether to continue the denial. If the decision is to continue the denial, you can appeal that decision for a second level review with the insurance company. For the second level review, the insurance company must use reviewers who were not part of the original denial.

What if the medical care is needed urgently?

Insurance companies must provide for an expedited review of any urgent care requests. Such requests must be handled as expeditiously as the condition requires, and in no event may the insurance company take more than 72 hours to act on an urgent care request.

Scheiber says whether or not an individual has filed an appeal or grievance with their insurance company, they can contact the Division of Insurance for assistance with their insurance problems by calling 605.773.3563, by letter to the South Dakota Division of Insurance, 445 East Capitol Avenue, Pierre, SD 57501, or by completing an online complaint form on the division's website at www.state.sd.us/insurance.