

Nurses' Association Study Shows That California Insurers Denied 26 Percent of All Health Insurance Claims in 2010

Despite more attention focused on the nation's largest health insurance companies with their recent requests for large premium increases and with all of the talk about national healthcare reform, California's largest health insurance companies continue to deny about 26 percent of all health insurance claims, according to a recently released study by the California Nurses Association ("CAN")/National Nurses United ("NNU").

Blue Shield, which has recently garnered attention for requesting premium rate increases of up to 59 percent for individuals in California, denied nearly two million claims last year, trailing only Anthem Blue Cross, which denied nearly six million claims. PacifiCare had the highest percentage of denials at a whopping 44 percent.

For the first three quarters of 2010, seven of California's largest insurers rejected 13.1 million claims, 26 percent of all claims submitted, a number only slightly below the 26.8 percent rate for 2009. The data, new findings by the Institute of Health and Socio-Economic Policy, the CNA/NNU research arm, is based on data from the California Department of Managed Care.

Claims denial rates by leading California insurers, for the first three quarters of 2010, were:

- PacifiCare – 43.9%
- Cigna – 39.6%
- Anthem Blue Cross – 27.3%
- HealthNet – 24.1%
- Blue Shield – 21.9%
- Kaiser Permanente – 20.2%
- Aetna – 5.9%



Since 2002, these seven companies, which account for more than three-fourths of all insurance enrollees in California, have rejected 67.5 million claims. Cigna, which denied 40 percent of claims, showed the biggest increase from 2009, increasing its rejection rate by 5.3 percent. Kaiser Permanente accounted for the biggest drop, a one year decline of 7.4 percent in denials. Blue Shield slightly increased its denial rate by .3 percent from 2009.

"These rejection rates demonstrate one reason medical bills are a prime source of personal bankruptcies as doctors and hospitals will push patients and their families to make up what the insurer denies," said CNA/NNU Co-President DeAnn McEwen. The national reform law signed by President Obama last spring has, to date, had no impact on the high pace of insurance denials, she noted.



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