VERMONT
OFFICE OF HEALTH CARE OMBUDSMAN

SFY 2009
ANNUAL REPORT
JULY 1, 2008 – JUNE 30, 2009

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BACKGROUND

"I don't have any insurance and I just found out I have cancer. What can I do?"

"I'm about to be laid off and I want to know what my health insurance options are. I can't afford COBRA."

"I went to pick up my prescriptions and my pharmacist says my insurance won't pay! I don't have the hundreds of dollars necessary for these drugs, so I had to leave without my heart and arthritis medicines."

"My nineteen year old daughter weighs 87 pounds and is anorexic. Her doctor says she needs to go to a residential treatment facility immediately and our insurance company says it won't cover it."

These are the kinds of calls the Office of Health Care Ombudsman (HCO) gets routinely on our statewide hotline.

The HCO has been working on behalf of Vermont health care consumers for the past ten years. Funded by two state agencies, the Office of Vermont Health Access (OVHA) and the Banking, Insurance, Securities and Health Care Administration (BISHCA), the HCO was created by the Vermont Legislature in 1998 to advocate for Vermonters with health care and health insurance problems. We operate a statewide hotline based in Burlington to help individuals navigate the complexities of the current health care system. In addition, by state law we are authorized to act as a consumer voice for Vermonters regarding health care issues with the state and federal government. We advise and advocate for Vermonters regardless of their income, resources or insurance status. Our services are free. As part of Vermont Legal Aid, we are able to refer cases to, and utilize the expertise of, the attorneys in the other VLA projects.

When someone calls the HCO, an advocate analyzes their situation, then gives advice, directly intervenes to resolve the problem, or refers the caller. In some cases we can represent an individual in an appeal. Our cases involve all types of health insurance, including:

- Commercial insurance like BlueCross BlueShield, CIGNA, and MVP;
- State health care programs like Medicaid, Dr. Dynasaur and VHAP;
- Federal programs like Medicare and Tri-Care; and

- Hybrid government and private insurance programs like VPharm, Medicare Advantage, Medicare Part D, Catamount Health Premium Assistance (CHAP) and VHAP-EISA.

EXECUTIVE SUMMARY
SFY2009

Introduction

From July 1, 2008, through June 30, 2009, the HCO consumer assistance hotline received 2600 calls. This reflects a 17% increase in call volume over the past five years: in 2005 we handled 2,213 calls. It is, however, a decrease from the calls received in SFY 2008, which had the all time high of 2,706. In part, this drop was the result of limiting intake hours for two months during the summer of 2008. Two things were going on at the time: we had to adapt to a 20% reduction in HCO hotline staff, and three out of the four remaining advocates were new and had to receive the extensive training necessary to understand the complexities of the health care system. Prior to June 2008, the HCO had five advocates answering hotline calls. Due to more limited funding we had to reduce staff to four advocates. Consequently we adjusted our priorities and began providing more advice and less direct intervention to our clients. The HCO constantly triages calls and gives the highest priority to individuals who are having difficulty accessing needed health care or who are about to lose their insurance.

Increased calls regarding access to care

This year we received 680 calls from people having trouble getting necessary medical care. This is a 32% increase over last year's 517 calls in this category. Specifically, the top issues related to access were prescription drugs, specialty care, pain management, dental care and mental health treatment.

Increased calls related to eligibility for state programs

The economic downturn that began in December 2007 and continued into 2009 caused a significant increase in the calls related to eligibility for state programs. The upward trend began at the startup of Catamount Health in October 2007. From SFY 2007 to 2008 the calls about eligibility almost doubled, and have continued to climb. In the first half of 2009 we received 366 calls about eligibility, 25% more than in the same six months in

2008 when we spoke to 293 individuals. Many of these calls were related to the difficult application process for state programs, especially the hybrid programs like Catamount Health Premium Assistance (CHAP) and VHAP-ESIA.

In order to maximize the amount of assistance available to Vermonters seeking help with eligibility for state programs, the HCO worked closely with the Campaign for Health Care Security. We tried to coordinate our services to avoid duplication, while assisting as many individuals as possible.

Increased calls about access to pain management

During the summer of 2008 we noticed an increase in calls about access to appropriate care for pain. In order to monitor this trend, in September 2008 we began tracking pain management cases as a separate issue category. Some pain management cases involve access to prescription drugs, but many involve access to primary care doctors, transportation or other issues. In the nine months that we tracked this, we received 74 calls. By far the majority of these calls were from Medicaid beneficiaries. Only a handful of the callers seeking help with pain management were from callers with private insurance.

In addition to advising individuals about pain management problems, the HCO advocated for legislation to improve the quality and availability of pain management and palliative care for all Vermonters. This collaborative effort with other advocates culminated in the passage of Act 25, an Act Relating to Palliative Care, which includes a Patients' Bill of Rights.

The future

Every day HCO advocates hear depressing stories from desperate Vermonters who are having problems with the health care system. We will continue to do as much as we can to help these individuals. In addition, we will work to influence health care policy and expand access to health care as budget cuts are made and government health care reforms are developed.

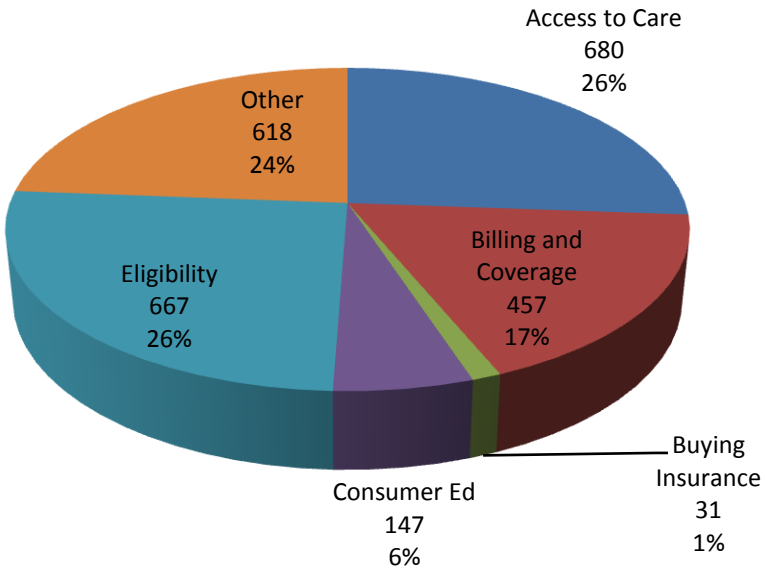
Trinka Kerr
State Health Care Ombudsman
January 2010

DESCRIPTION OF CASELOAD

In SFY 2009 we received 2,600 calls to our statewide hotline, compared to 2,706 last year. The HCO keeps various data on the issues raised by callers. We subdivide the issues into six categories: *Access to Care, Buying Insurance, Billing and Coverage, Consumer Education, Eligibility, and Other*. Every case is assigned to one of these categories.

- *Access to Care* (caller has not received needed care): 26%, 680 calls, compared to 19%, 517 calls in SFY 2008;
- *Billing and Coverage* (care received, but claim denied or other billing issues): 17%, 457 calls, compared to 23%, 610 calls in SFY 2008;
- *Buying Insurance*: 1%, 31 calls, compared to 2%, 41 calls in SFY 2008;
- *Consumer Education* (education about a particular issue, but not in relation to a specific denial of care or inability to access care): 6%, 147 calls, compared to 6%, 172 calls in SFY 2008;
- *Eligibility* (for state health care programs, including Catamount Health and premium assistance): 26%, 667 calls, compared to 24%, 638 calls in SFY 2008;
- *Other* (includes Medicare Part D, termination of commercial insurance, access to medical records, health insurance marketing, etc): 24%, 618 calls, compared to 27%, 728 calls in SFY 2008

Last year the number of *Eligibility* calls almost doubled. This year the number was higher still, and also a higher percentage of calls. *Access to Care* calls also increased. The pie chart below illustrates the comparative volume of calls for each category.



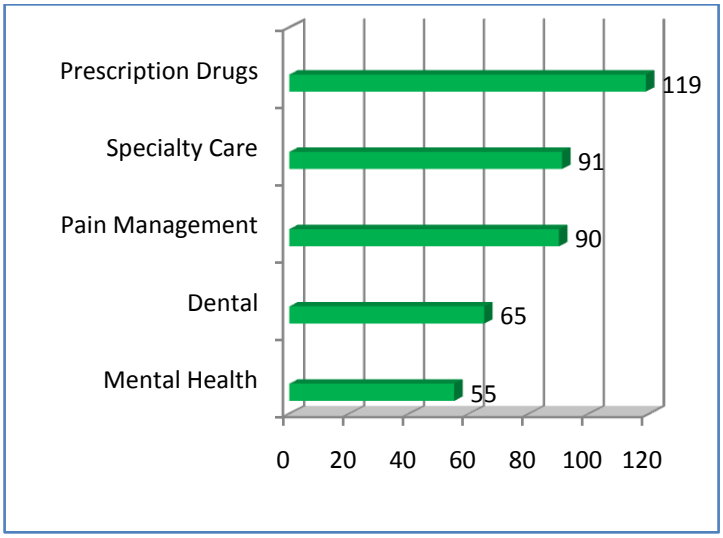
Access to Care

Access to Care cases are those in which the HCO helped individuals seeking specific health care services. We received 680 calls in this category compared to 517 last year. This is a 32% increase.

The largest subcategory in *Access to Care* involved access to Prescription Drugs. In SFY 2009 we received calls from 119 Vermonters unable to get necessary medications, compared to 126 last year. This number is significantly higher when the 145 Medicare Part D calls are added, adding up to a total of 264 calls related to Prescription Drugs, compared to 249 last year. The second most common access problem was Specialty Care, same as last year. The surprise here, though, is that the next highest category of access calls involved the new issue category of Pain Management. We received 90 calls related to pain management! Dental care was next at 65 calls, compared to 62 last year. The fifth highest category was Mental Health, at 55. Last year the fourth highest volume category was Durable Medical Equipment and Supplies at 48. This year that number dropped to 43, when Wheelchairs are included.

Access to Care calls are broken down into the following categories: Affordability, Chiropractic, Clinical Denial of Care, Durable Medical Equipment/Supplies, Delay in Appointments, Delay in Obtaining Care, Dental, Emergency Care, Eye Care, Family Planning, Home Health, Inappropriate Care, Mental Health, Other, Prior Authorization/Utilization Review Taking Too Long, Pain Management, Prescription Drugs/Pharmacy, Quality of Care, Routine Care/Primary Care Provider, Specialty Care, Transition/Continuity of Care, Transportation, Urgent Care, and Wheelchairs.

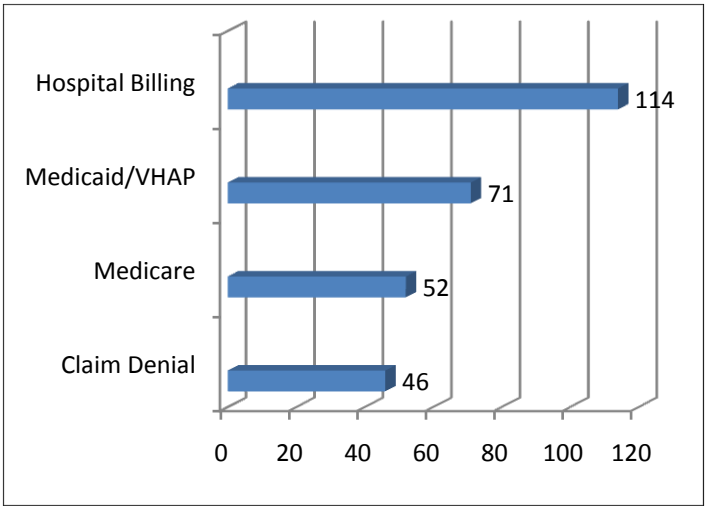
The chart below shows the top five subcategories within *Access to Care.*



Billing and Coverage

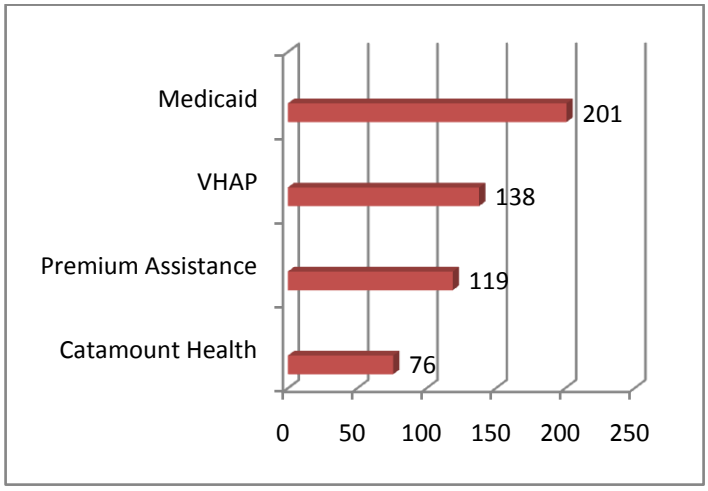
Calls in this category are from Vermonters who received the care they needed, but subsequently experienced problems getting their insurance to pay for that care or had other problems with the billing process. We received 457 calls in this category, compared to 610 last year. Billing cases constituted about 18% of our calls, down from 22% last year.

Billing and Coverage calls are broken down into 21 categories. The four most common types of billing calls in SFY 2009 were: Hospital Billing (114), Medicaid/VHAP (71), Medicare (52) which includes billing for Medicare Part B drugs, and Claim Denials (46). Problems related to billing for Catamount Health (one of the top four last year) decreased in SFY 2009 from 57 to 20.



Eligibility

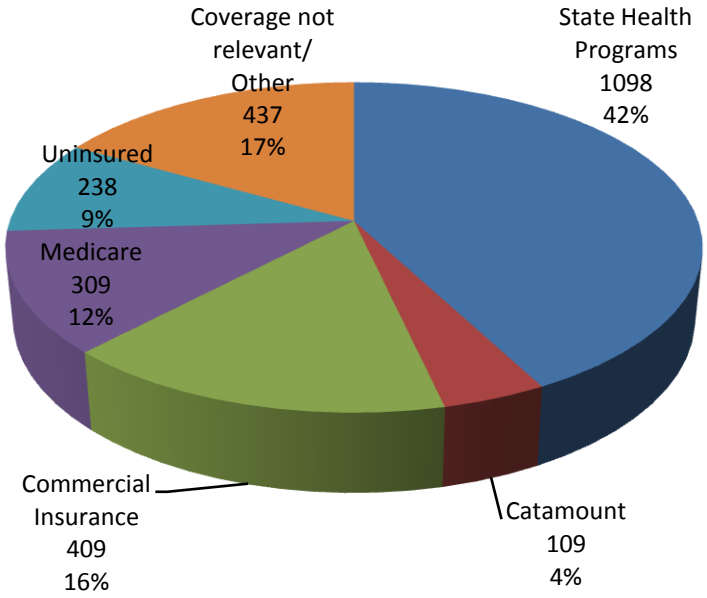
We received 667 calls about eligibility for state health programs in SFY 2009, compared to 638 last year (which saw a substantial increase of 75%, over the previous year!). This was a 5% increase, but the calls in the first six months of 2009 in this category were 25% higher than for the same period in 2008. Calls came from individuals who were uninsured, who had commercial insurance they couldn't afford, or who were on state programs but were concerned about their ongoing eligibility. About 29% of these calls were about the new Catamount or Premium Assistance programs.



Types of Coverage

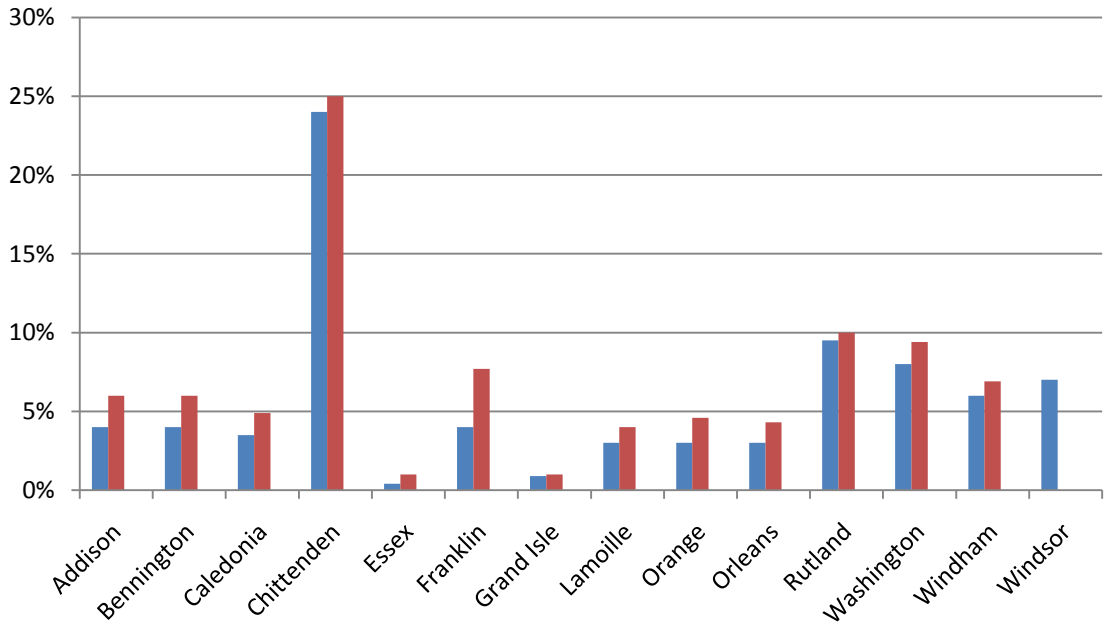
HCO received calls from Vermonters with all types of health insurance, and from the uninsured. The chart below breaks down our calls into types of coverage of the caller, by the actual number and percentage of total calls.

State health care programs include Medicaid, VHAP, VHAP Pharmacy, VScript, VPharm, and beneficiaries who have both Medicaid and Medicare. Commercial insurance includes both individuals with small and large group coverage, and those with individual coverage. Catamount includes state premium assistance programs.



Geographic Distribution of Calls

We received calls from individuals across Vermont. While there was some variation by county, our calls are spread across the state in almost direct proportion to the population of the state. The chart below shows a comparison of the calls received to the general population by county.

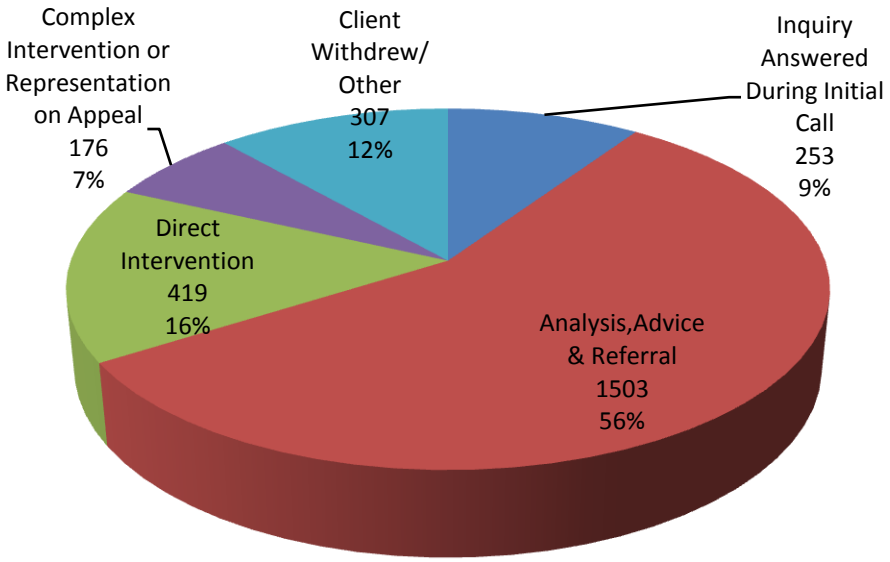


Resolution of Calls

In SFY 2009, the HCO closed 2,658 cases, compared to 2,673 last year. When each case is closed, we document how we resolved the case, where we referred the individual, and what materials we sent. We use the following categories to track how we resolve calls.

- *Inquiry Answered During Initial Call* (253 calls, 10%) [last year 214, 8%]
- *Analysis, Advice and Referral* (advice and/or referral after analysis) (1,503, 56%) [last year 1,548, 58%]
- *Direct Intervention* (made calls or took other action on behalf of the client, up to two hours work) (419, 16%) [last year 559, 21%]

- *Complex Intervention or Representation on Appeal* (direct intervention that took more than two hours to resolve case) (186, 7%) [last year, 115, 5%]
- *Client withdrew, Other* (307, 11%) [last year, 237, 9%]



OUTCOMES

The HCO records outcomes for cases in which we directly intervene on a client's behalf, including representation in an appeal.

Access to Care Cases	***SFY 2009***	***SFY 2008***
Obtained access to health care	35%	54%
Unable to obtain access to care	5%	15%
Other outcome	60%	31%
Billing/Coverage Cases		
Patient not responsible for bill	36%	58%
Patient responsible for bill	20%	12%
Other billing/coverage outcome	44%	30%
Eligibility Cases		
Prevented termination or reduction	27%	25%
Obtained coverage	16%	40%
Other outcome	57%	35%

The HCO was successful in 39% of the cases in which we directly intervened to help clients obtain care and establish or maintain their eligibility for health insurance.

An example of a situation in which we might not succeed in gaining access to health care that a client wanted, would be when their insurance specifically excludes coverage of that care. An example of when we might not succeed in relieving them of responsibility for a bill would be when there was not sufficient medical evidence from their providers to support the care they received. An example of when we might not succeed in preventing termination from a state health care program would be when we learn that the client no longer meets the eligibility guidelines.

QUALITY ASSURANCE AND CONSUMER SATIFSACTION

The satisfaction of our clients is extremely important to us. To continually monitor how consumers perceive the way we served them, we send a Client Satisfaction Survey Questionnaire to every client on whose behalf we intervene directly or whom we represent in an appeal. We try to follow up with every client who requests it to resolve outstanding issues.

The vast majority of survey responses we receive indicate that our clients were satisfied or very satisfied with the service they received from our office. Here are just some of the comments we received in the past year:

- *When I learned the insurance company denied benefits I wrongly assumed a simple letter explaining my disease would suffice in getting them to allow my treatment. I was very wrong. It was very difficult for me to follow through at the beginning of the process because I became very depressed thinking I could never win my argument with the insurance company. [I had] many phone calls with [my HCO advocate and] won my case <u>without</u> a hearing! Thank you so much for the great advice and assistance.*

- *[My HCO advocate] was kind, clear and helpful, coming up with some responsive research which completely refuted [the insurance carrier's] research, [allowing] my operation to be covered.*

- *[My HCO advocate] went that extra mile for me. She alerted me about the pre-existing [condition] changes to Catamount and helped me get my application in before the cut off date. We ran into a few obstacles and she helped me all the way. Great job!*

- *I truly commend [my HCO advocate] and feel he should be recognized for his compassion when working with people who feel hopeless as I did with my case and due to*

my disabilities felt alone like no one was listening until he came along. Only then did things get moving!

- *[My HCO advocate] was very responsive and helpful. I lost my job and benefits and was worried about a break in health care coverage. My husband and I are older and have chronic health conditions requiring medication and regular doctor visits. I was getting the run around from the officials at Vermont Health Access. They were denying my benefits until I had been unemployed for 30 days and saying I was over income. They were basing my eligibility determination on my income when I was employed. [My HCO advocate] was effective and professional. Thank you!*

- *The contrast of service given by Vermont Agency of Human Services (WRETCHED) and the [HCO] was remarkable. It restores my hope for a solution to the health care problem.*

- *Thank you so very much. After 18 months we are finally getting a good night's sleep!*

- *It was a great relief to have help navigating the red tape labyrinth.*

- *Being treated with respect and dignity means more to me than any words can say! This is the first time I've been given any kind of direction from anywhere and from anybody I've talked to in years. Really helped me to be more confident and assured in resolving a lot of unnecessary injustice in my life and hopefully others as well!*

- *I called a half a dozen people and agencies before calling the [HCO]; [my HCO advocate] was the only one who knew anything about my obscure problem. I was knocked out! Thanks so much!*

- *I have a severe mental illness and [my HCO advocate] treated me with the most courteousness, patience and professionalism. He got answers to my questions and concerns immediately and completely.*

- *Just a note to say that [my HCO advocate] is one of the most helpful folks you have there. She informed me how my case was progressing or the road blocks she ran into. She is persistent and thorough in resolving issues for "the little people" who do not know what to do or where to turn.*

- *[My HCO advocate] was wonderful to work with, professional and friendly. She kept at it when I was discouraged. She was helpful and kept a positive attitude. I can't say enough good things about her. Thank you for your service. It is an excellent resource for many Vermonters who, like me, would otherwise end up falling between the cracks (in my case, the cracks of Big Pharma).*

- *I was very pleased that you were able … to convince them to follow the policies set forth in their policy manual. I am amazed at the way Medicaid recipients are treated. Using Medicaid for insurance does NOT mean the recipient is unintelligent or a second class citizen. This experience showed that there is indeed someone who cared.*

- *I appreciate everything [my HCO advocate] did for me. The glucose monitoring is what [was] necessary for me to keep my job. My husband has cancer and must have insurance [and we get our insurance through my job. As a result of your help, I was able to get the monitor, and thus keep my job and our insurance]. I am very thankful for the help I had.*

ACTIVITIES

The State Health Care Ombudsman is responsible for the overall administration of the HCO and ensuring that Vermonters have timely access to proper advice. In addition, the Ombudsman is specifically charged with assisting consumers with selecting health plans and understanding their rights and responsibilities; providing information to public agencies and the legislature about the problems and concerns of consumers; analyzing, monitoring, and facilitating public comment on the development of federal, state and local laws and policies; and promoting the development of consumer organizations.

The State Health Care Ombudsman and project staff performed the following activities to carry out these duties in SFY 2009:

- Represented the interests of Vermonters in the state legislature by providing written and oral testimony on a number of important issues, including:
    - Proposed changes to the Catamount Health program;
    - Health care reform proposals;
    - The elimination of state pharmacy assistance programs;
    - Proposed increases in cost-sharing in state programs;
    - Access to quality pain management, palliative health care and the end of life care.

- Notified consumers and reminded legislators of the changes regarding eligibility for Catamount Health including the amnesty for pre-existing condition exclusions in advance of the deadline so that more people might take advantage of the change in law.

- Commended and consulted on various proposed regulations, including those related to:
    - Consumer protections in managed care plans and mental health parity (the revision of Rule 10);
    - Home Health;

  - Vermont Health Care Claims Uniform Reporting System; and
  - Long Term Care and Long Term Care Partnership.

- Worked with the Department for Children and Families Economic Services Division on:
  - The Modernization of its eligibility system;
  - Improving the application for state health care programs

- Monitored Fletcher Allen Health Care's huge electronic health record project (PRISM) as an interested party;

- Participated in the Northeast White House Forum on Health Care Reform at the University of Vermont;

- Participated in the Scare Resources and Altered Standards of Care Work Group, run by the Department of Health;

- Provided the offices of Vermont's Congressional delegation with information regarding the health care and health insurance concerns of Vermonters;

- Participated in the Common Claims Work Group pursuant to Act 191;

- Gave an annual report to the Act 129 Task Force, run by the Banking, Insurance, Securities and Health Care Administration (BISHCA) on the mental health cases we handled within the past year;

- Participated in an ongoing Medicare Part D Work Group run by the Department of Disabilities, Aging and Independent Living (DAIL);

- Worked with the Department of Health on patient safety.

OUTREACH

The HCO periodically conducts outreach to publicize our services. This past year these included presentations for:

- The Mark Johnson Radio Show, and
- Vermont Low Income Advocacy Council.

We also provided training on health care programs for community advocates and social workers at the Vermont Law School.

COORDINATION

HCO coordinates its efforts with other advocacy groups and agencies on an ongoing basis. These collaborations include:

- State Health Insurance Counseling and Assistance Program (SHIP)
- Banking, Insurance, Securities and Health Care Administration (BISHCA)
- Vermont Ombudsman Project, Disability Law Project, Senior Citizens Law Project, and all projects of Vermont Legal Aid
- Vermont Coalition for Disability Rights
- Agencies on Aging
- Community of Vermont Elders (COVE)
- Vermont Low Income Advocacy Council (VLIAC)
- Bi-State Primary Care Association
- Vermont Voices for Children
- Vermont Campaign for Health Care Security

REPORTING

The HCO reports quarterly to Banking, Insurance, Securities and Health Care Administration (BISHCA) and the Office of Vermont Health Access (OVHA). Quarterly reports are sent to the Health Access Oversight Committee, and the State Health Care Ombudsman testifies before the Committee on a regular basis. The HCO meets on a regular basis with OVHA staff, and BISHCA. The State Health Care Ombudsman is a member of the Medicaid Advisory Board.

EXPENDITURES

SFY 2009 Financial Report

Health Care Ombudsman-Attorneys	$100,440.99
Health Care Counselors	$132,570.43
Admin Support	$ 33,798.54
Clerical Support	$ 18,443.54
Total Salaries	$285,253.50
Fringe Benefits	$150,379.78
Total Personnel	$435,633.27
Operating Costs:	
Occupancy	$ 43,780.12
Telephone	$ 3,010.58
Office Supplies	$ 3,351.69
Postage	$ 1,981.01
Equipment Rental and Repair	$ 2,987.44
Training and Conference	$ 3,393.92
Professional Services	$ 3,321.77
Law Library	$ 3,622.16
EDS Maintenance	$ 9,707.05
Employment Advertising	$ 126.73
Insurance	$ 473.16
Depreciation	$ 4,080.24
Miscellaneous	$ 688.51
Total Operating	$ 80,524.38
Grant Specific Costs:	
Litigation	$ 398.65
Case Management System Upgrade	$ 4,012.37
Long Distance Telephone	$ 780.39
Publications, Community Outreach, Media, Etc.	$ 2,553.36
Travel	$ 4,313.57
Total Grant Specific Costs	$ 12,058.35
Total Budget	$528,216.00
Additional Costs Covered by Vermont Legal Aid	$ 8,459.21
Total Cost for HCO	$536,675.21