



HEALTH CARE NEWS

A Monthly Publication From the New York State Attorney General's Health Care Bureau

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Attorney General
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HEALTH PLANS AGREE TO PROVIDE REQUIRED COVERAGE INFORMATION

Attorney General Eliot Spitzer recently announced that 21 health plans operating in New York have agreed to take new steps to ensure that consumers have the information they need to shop for health coverage and obtain medically necessary care.

Under the agreements, the health plans have pledged to honor all consumer requests for so-called *Clinical Review Criteria*, which health plans use to determine whether a specific treatment will be covered. New York's Managed Care Bill of Rights requires health plans to disclose these criteria to both current and prospective enrollees upon written request.

"Consumers need clear and complete information from health care plans," Spitzer said. "These agreements obligate the health plans to provide that information and help consumers make the right decisions in choosing a health plan and obtaining medically-necessary care. The agreements may also make it easier for chronically-ill New Yorkers to enroll in plans that meet their special coverage needs."

The agreements stem from a March 2004 report issued by the Attorney General's Health Care Bureau which found that every plan offering individual coverage in New York had failed to comply with the state's disclosure requirements.

Spitzer also renewed his call on the Governor and State Legislature to pass legislation, originally proposed by the Attorney General in 2001, to establish clear penalties for violations of the Managed Care Consumer Bill of Rights.



HEALTH CARE HELPLINE AT 1-800-771-7755 option 3

Mr. M, an Albany County resident, called the Health Care Bureau's Helpline after receiving calls from collection attorneys about his unpaid hospital bills. Mr. M told a Helpline mediator that at the time he received the hospital services he believed he had health insurance coverage through his employer-provided plan. Mr. M said that when he contacted the plan representatives, he was informed that his coverage had been terminated because Mr. M's employer had failed to make premium payments. When the mediator asked Mr. M whether he had received any notification from his employer, Mr. M said he had not. The mediator asked the plan whether it had complied with a state law that requires plans to notify the employer about its decision to terminate benefits as a result of default in premium payments. The plan discovered that it had failed to notify Mr. M's employer in a timely manner, acknowledged its error and paid the claim in full.

Currently, there are no specific penalties for violations of this consumer protection statute.

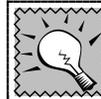
Visit the Attorney General's Health Care Bureau at www.oag.state.ny.us to obtain copies of the reports or a list of the 21 plans.

Bogus Health Plan Ordered to Compensate Victims

Attorney General Spitzer recently obtained compensation for consumers defrauded by an unlicensed health plan posing as a legitimate insurer. Spitzer's investigation, triggered by three complaints, led to a lawsuit against Blanca Jaravata, the "owner" and "operator" of unlicensed health plans known as Metro Health Managed Care, Metro Health Plan, Metro Health Care Plan, MHMC and Metro Health Care Services. The lawsuit alleged that Jaravata was operating these plans without a license, had falsely represented the plans as charitable organizations, failed to pay most claims, discour-

aged members from using benefits and terminated "policies" to avoid payment.

The settlement obtained in the case prohibits Jaravata from operating any unlicensed insurance business in the future and provides compensation to thirty consumers who had paid monthly premiums to the bogus plan, many of whom discovered that the coverage they had paid for did not exist, leaving them with unpaid medical bills. According to the court order, Jaravata is required to pay restitution to the affected consumers. Jaravata is currently awaiting trial on criminal charges arising from the sale and operation of these plans.



DID YOU KNOW?

You may be able to compare hospitals in your area using some quality of care indicators by visiting www.hospitalcompare.hhs.gov

Attorney General Eliot Spitzer's Health Care Bureau protects - and advocates for - the rights of all health care consumers statewide. The Bureau operates a Health Care Helpline that assists thousands of New Yorkers with individual problems; investigates and takes law enforcement actions to address systemic problems in the operation of the health care system; and proposes legislation to enhance health care quality and availability in New York State. **To share your views contact the Editor: Rashmi.Vasisht@oag.state.ny.us**