



# HEALTH CARE NEWS

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

Eliot Spitzer  
Attorney General  
New York State



## HIP AND HEALTH NET TO REINSTATE INSURANCE COVERAGE FOR SENIORS

Attorney General Eliot Spitzer recently announced an agreement with Health Insurance Plan of New York (HIP) and Health Net of Northeast (Health Net) to restore the individual health insurance policies of certain senior members, which the plans had improperly terminated.

The Health Care Bureau's investigation found that HIP and Health Net sent their elderly members a series of misleading letters improperly stating that their coverage would terminate upon Medicare eligibility at age sixty-five. HIP also terminated the policies of sixty-one members who refused to discontinue their coverage.

"HIPAA and New York law are clear - plans cannot discriminate on the basis of age or Medicare entitlement in deciding to renew or terminate individual health insurance coverage," Spitzer said. "This agreement ensures that our seniors have more choices as well as coverage for prescription drugs when they become eligible for Medicare. Others, such as recent immigrants who are not eligible for Medicare simply because they turn sixty-five, will be able to keep their individual health insurance, which provides them with critical coverage since they have no other insurance options."

HIP and Health Net are required to send notices to all affected senior citizens informing them of their rights to reinstate their policies and seek restitution, including reimbursement for prescription drug costs that should have been paid by the health plans in certain circumstances. The plans are also required to send notices to all of their members informing them of their rights under federal and New York law to renew their individual health insurance policies.



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

Ms. W's infant daughter suffers from a severe allergy to cow's milk and soy protein and can only receive nutrition through an over-the-counter (OTC) enteral formula called Neocate. When Ms. W wanted to enroll her daughter with a health plan offering lower premiums under New York State's Child Health Plus program, Ms. W called the new plan to make sure that Neocate would be covered. A plan representative assured her it would and Ms. W made the change. But when Ms. W went to her local pharmacy for her next month's supply of Neocate, she was surprised to learn that her new plan was refusing to pay for the formula. Ms. W promptly called her plan to resolve the problem. Over the next two months, Ms. W's plan repeatedly denied coverage for Neocate, offering misleading and contradictory reasons for its denial. In its letters, for example, the plan claimed that her policy did not cover OTC medications or that her daughter's allergies "are not a covered inclusion." On the phone, plan representatives said Neocate would be covered upon receipt of more information, even though the plan already had the information it needed to approve her claim. After two months of frustration and \$2,000 in out-of-pocket expenses, Ms. W contacted the Health Care Bureau. An HCB attorney wrote to the plan, pointing out that coverage of enteral formulas is mandated by New York State law when medically necessary. The plan acknowledged its mistakes, approved coverage for Neocate for a year, reimbursed Ms. W the \$2,000, and agreed to improve its procedures to ensure requests for coverage of enteral formulas are handled according to New York State law.

### Q & A

**Q:** *I am a 44 year old New Yorker. I am shopping around for an individual HMO policy. Do I have rights as an individual health care consumer? What will my HMO policy cover?*

**A:** Under New York State law, you are guaranteed the right to buy an individual HMO policy from any insurance company that sells such plans in New York State. New York State HMOs are required to offer an individual policy and cannot turn you down because of your health status, age, or any other factor that might predict your use of health services. Also, you cannot be charged more for your health insurance due to your health status, age, gender, or occupation. However, premium rates do vary, so you should compare HMO rates before making a decision. *Remember*, New York requires all HMOs to sell standardized policies and cover certain *mandated benefits*, including among other things, preventive and primary

care, emergency services, ambulance service, hospitalization, pre-admission tests, a second surgical opinion, diagnostic laboratory services, blood and blood products, private duty nursing, prescription drugs, cancer drugs, inpatient rehabilitation services, mammography screening, maternity care, outpatient physical therapy and home care. To learn more about your rights or mandated benefits visit the New York State Department of Insurance website at <http://www.ins.state.ny.us>



### DID YOU KNOW?

A step-by-step guide explaining how to use your rights to appeal your health plan's denial of care or coverage is now available at [www.oag.state.ny.us/health/health\\_care.html](http://www.oag.state.ny.us/health/health_care.html).

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](mailto:Rashmi.Vasisht@oag.state.ny.us)**