HR Insights

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Helping Employees with Health Care Claims

Navigating the health care claim process can be challenging for employees, and delayed claim payments and denied claims make it even harder for employees to manage their health care. Employees often lack the knowledge or experience to handle these hurdles in the claims process; for instance, many employees don't think to follow up when their claim is unexpectedly denied, yet erroneous claims denials happen more often than they may think.

Your HR department can be a valuable resource for employees in this situation, but your company should consider how much of a role your HR department should play in helping employees sort through problem claims. This article offers benefits and drawbacks, plus easy fixes for common causes of late or rejected claims.

Cons

Some HR professionals feel that helping employees sort through the claims process is an unnecessary drain on their time. One risk is that employees start turning to HR as their first point of contact with a claim issue, rather than trying to call the insurer and solve the problem themselves.

In addition, some employers fear the potential liability involved with helping employees with health care claims. There is a concern that helping employees with claims exposes an employer to discrimination charges under the American Disabilities Act, or liability related to privacy laws. Many lawyers maintain that this risk is minimal; however, it would be a good idea to consult legal counsel. As a precautionary measure, some employers require employees to sign privacy waivers before helping with any health care claim issues.

Pros

Despite the drawbacks, many employers feel that helping employees handle problematic health care claims makes good business sense for several reasons:

- Employees often use company time to handle insurance-related problems, which cuts into productivity. If an HR representative can help the employee solve the issue quicker, it may translate into less company time wasted.
- Helping employees resolve claim problems offers a great opportunity for HR to monitor the performance of the insurer. Frequently late or mistakenly denied claims can be a sign that your carrier is underperforming and it is time to make a change.

When employees are struggling and frustrated with their insurance plan, it can lower overall satisfaction with the company. Employers may find it in their best interest to help employees with these issues, to maintain employee morale and become a trusted go-to resource.

5 Easy Fixes

According to HR Magazine, many claims disputes

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arise from five common problems that are not only easily resolved, but also often preventable.

- Often, claims issues stem from the employee not providing their current health plan information during their health care visit. This could be because employees lost the new insurance card, forgot to show the provider the new card or didn't provide insurance information at all.
    - Solution: When distributing new cards, remind employees to keep it with them, dispose of old cards and always show the card when seeking health care. Follow up with regular reminders throughout the year.
- Insurers want to ensure that injuries are not work-related, which would eliminate their responsibility to pay. Many claims get delayed while insurers conduct an investigation into the cause of the injury; this can be avoided if the employee simply answers the insurer's questions and makes clear if the accident was outside work.
    - Solution: Educate employees about the importance of providing the insurer with any needed information, which can be as simple as returning a phone call. Emphasize that this step will speed the claims process.
- Sometimes, a claim is denied simply because the provider coded it incorrectly—for example, attributing a claim for circumcision to a mother, rather than her newborn son. Another reason could be that a provider failed to indicate that a particular therapy or treatment is medically necessary.
    - Solution: When inquiring about a denied claim, be sure to check that the claim was coded correctly. If it was an error on the physician's part, ask the provider to resubmit the corrected claim. Also, encourage your employees to know their benefits and act accordingly—for instance, knowing if a therapy is covered only if deemed "medically necessary," and then ensuring their provider indicates it as such.
- Employees who have coverage through two plans (theirs and their partner's) may be confused as to how their dependents are covered, which can lead to mistakes regarding which insurance information they give their child's provider or cause disagreement between the two insurers regarding who should pay.
    - Solution: Educate employees about navigating double coverage situations; for instance, children generally have primary coverage through the plan of the parent whose birthday comes first in the calendar year. Give other specific examples to help employees understand their coverage.
- Health care claims confusion can result from insufficient or overly complex communication from the employer. Benefits are confusing for employees to start with, and benefits communication documents are often written at too high a level to make sense to many employees. This either results in employees misunderstanding their benefits information, or failing to read it at all due to its complexity.
    - Solution: Help your employees understand their benefits. Communicate in clear, direct ways and provide multiple opportunities for employees to learn and ask questions. Make plan documents available to them year-round, coordinate benefit meetings prior to open enrollment and make available other resources for employees (carrier website, online or phone support, your company website, HR, etc.).

In addition, employers and HR professionals should remember to tap into Sullivan Benefits as a resource when trying to sort out a problematic claim situation. If you have spoken with the insurer and made no progress, we may be able to facilitate a productive conversation and get to the bottom of an issue.