



Report to the Legislature

# Public Employees Benefits Board annual report

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## Customer service complaints and appeals

Substitute Senate Bill 6584, Chapter 293, Laws of 2010

RCW 41.05.630

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Employee and Retiree Benefits Division  
P.O. Box 42684  
Olympia, WA 98504-2684  
Phone: (800) 200-1004  
Fax: (360) 725-0771  
[www.hca.wa.gov](http://www.hca.wa.gov)

## Executive summary

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RCW 41.05.630 requires the Health Care Authority (HCA) to process as a complaint an enrollee's expression of dissatisfaction about customer service or the quality or availability of a health service, as reported by the health plans. Starting in 2020, the Employees and Retirees Benefits (ERB) Division of HCA presented data on complaints and appeals based on a calendar year rather than a fiscal year. This change occurred because the School Employees Benefits Board (SEBB) Program was created.

This 2022 report is the second to show both PEBB and SEBB complaints and appeals data. The findings reflect the effect of the COVID-19 pandemic on staff recruitment and training, provider retention, and the uncertainty of how and when to access health care services.

Some of the complaints and concerns about the availability of a health care service may have fallen into the category of the *quality* of health care services, depending upon how the plans reported their data.

## Report highlights

### PEBB Medicare population:

- Complaints increased 35 percent from last year. The most significant increase was concerning the quality of a health care service category.
- The increase in complaints seems related to the ever-changing circumstances of health care during the COVID-19 pandemic. Extreme staff shortages have occurred throughout the health care industry, and these have exacerbated the pandemic's impact on access to care, as well as to consumer expectations about their health care. It is difficult to determine whether quality of services is truly declining or whether pandemic disruptions are causing a lack of confidence in health care services among members.
- There were 861 quality of a health care service complaints in 2019, 298 in 2020, and 1124 in 2021, so no trend is indicated.
- Appeals also increased approximately 34 percent between 2020 and 2021.
- Appeals were greatest in the customer service category with approximately 89 percent of the total appeals related to customer service.

### PEBB Non-Medicare population:

- Complaints overall were down by approximately 5 percent from 2020.
- Complaints were mostly related to customer services and quality of a health care service, with availability of a health care service coming in at less than half those two categories.
- The data is not granular enough to identify the exact cause of complaints, but issues associated with staff training and provider retention during the pandemic seem to be the drivers.
- A significant increase in appeals concerning customer service occurred between 2020 and 2021. ERB believes that this also results from issues at the health plans with recruiting and training customer service staff during the on-going pandemic.
- There were no appeals about the quality of a health care service in 2021.

## **SEBB population:**

- The number of complaints and appeals within the SEBB population are proportionate to those of the PEBB population and seem likely to continue so.
- Complaints rose by 52 percent from 2020 to 2021 with Quality of a Health Care Service as the chief complaint category.
- As with the PEBB population, the increase in complaints seems to stem from the changing landscape of health care in the COVID-19 era. The changes stem from staffing shortages, and the pandemic's impact on access to care, as well as to consumer attitudes toward their health care. Perceptions of lower quality of health care services may actually reflect members' frustration with inexperienced staff and new providers.
- Total complaints were 2.5 per thousand, up from 1.7 per 1,000 members in 2020.
- Appeals increased by 12 percent, but none were around quality of a health care service in 2021.
- Appeals were 3.7 per 1,000 members, up from 3.3 in 2020.

# Background

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## Categories of complaints and appeals

This report includes statistics from two PEBB risk pools: non-Medicare and Medicare members. Insurers form risk pools to spread risk evenly across an insured population. These risk pools have been used in the PEBB Program for most of the program's history. We also provide complaints and appeals data from the SEBB risk pool; SEBB does not include a population for whom Medicare coverage provides primary coverage.

Each health carrier provided the number of complaints and appeals related to these three categories, as required by legislation:

- Availability of a health care service.
- Customer service.
- Quality of a health care service.

Data for this report is limited by three issues:

1. This report includes only those complaints and appeals that fit into one of the three named categories. Complaints and appeals that do not fit are not included in the medical carriers' data.
2. Each carrier decides where to place their complaints and appeals in these three categories. This results in some variation in how complaints are sorted.
3. Fully insured plans, like Kaiser Permanente health maintenance organization (HMO) health plans, tend to have higher numbers of complaints and appeals because they function as both the insurer and the provider. When members complain about scheduling appointments or a provider, those complaints are both counted in the carrier's overall numbers. By contrast, Uniform Medical Plan (UMP) and the fully insured Premera preferred provider organization (PPO) plans, as insurers only, are more likely to receive complaints about health care services and less likely to receive complaints about appointment scheduling or providers.

## Populations

The total PEBB population for 2021 was 383,551 members. Of those, 269,949 members are in the non-Medicare risk pool. In PEBB, 113,602 members make up the Medicare population.

The total SEBB population for 2021 was 267,511 members. Since the SEBB Program does not include retirees, all of these are non-Medicare members.

# Findings

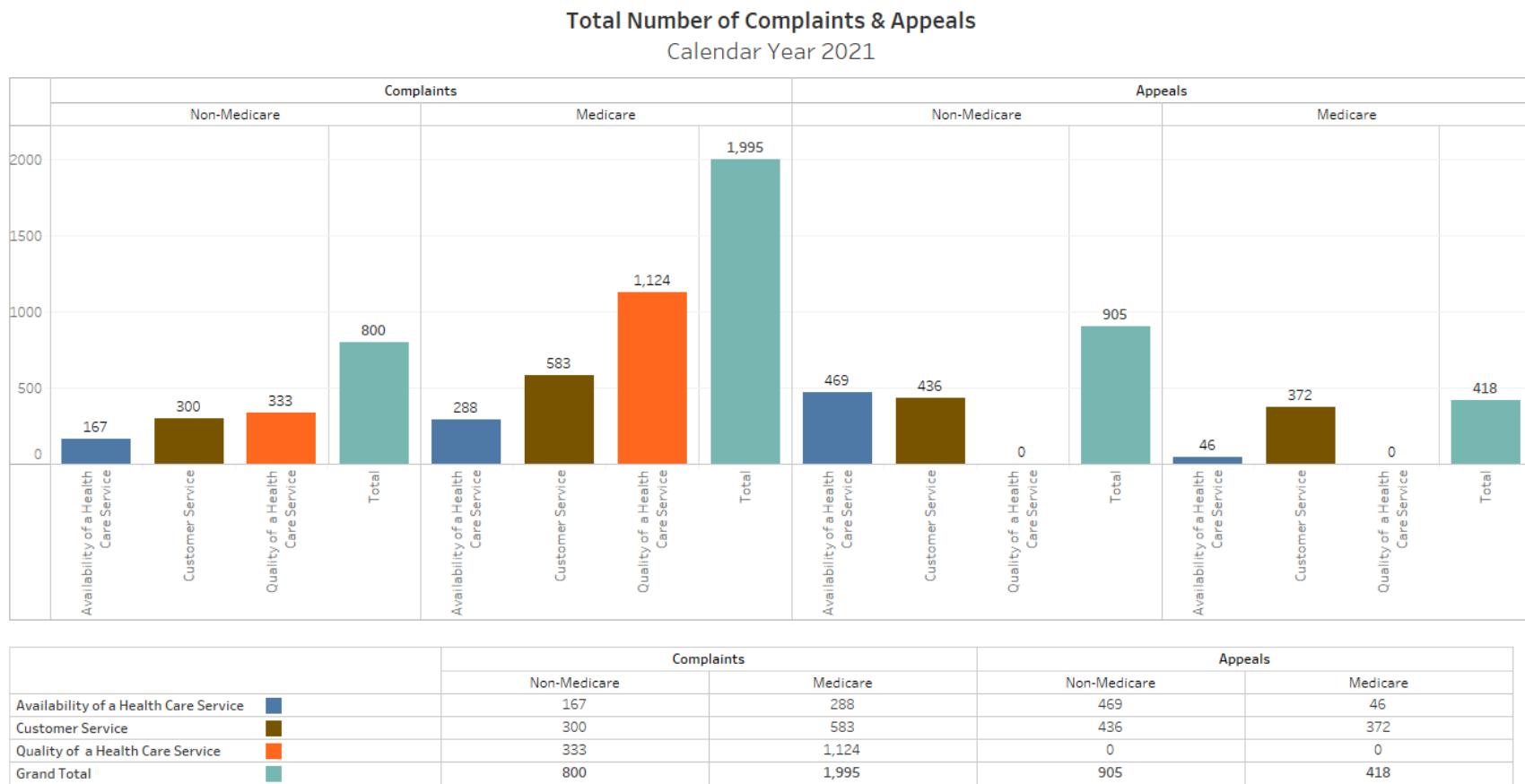
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The following section contains illustrations of the numerical data about complaints and appeals in all categories that PEBB and SEBB health plan carriers collected.

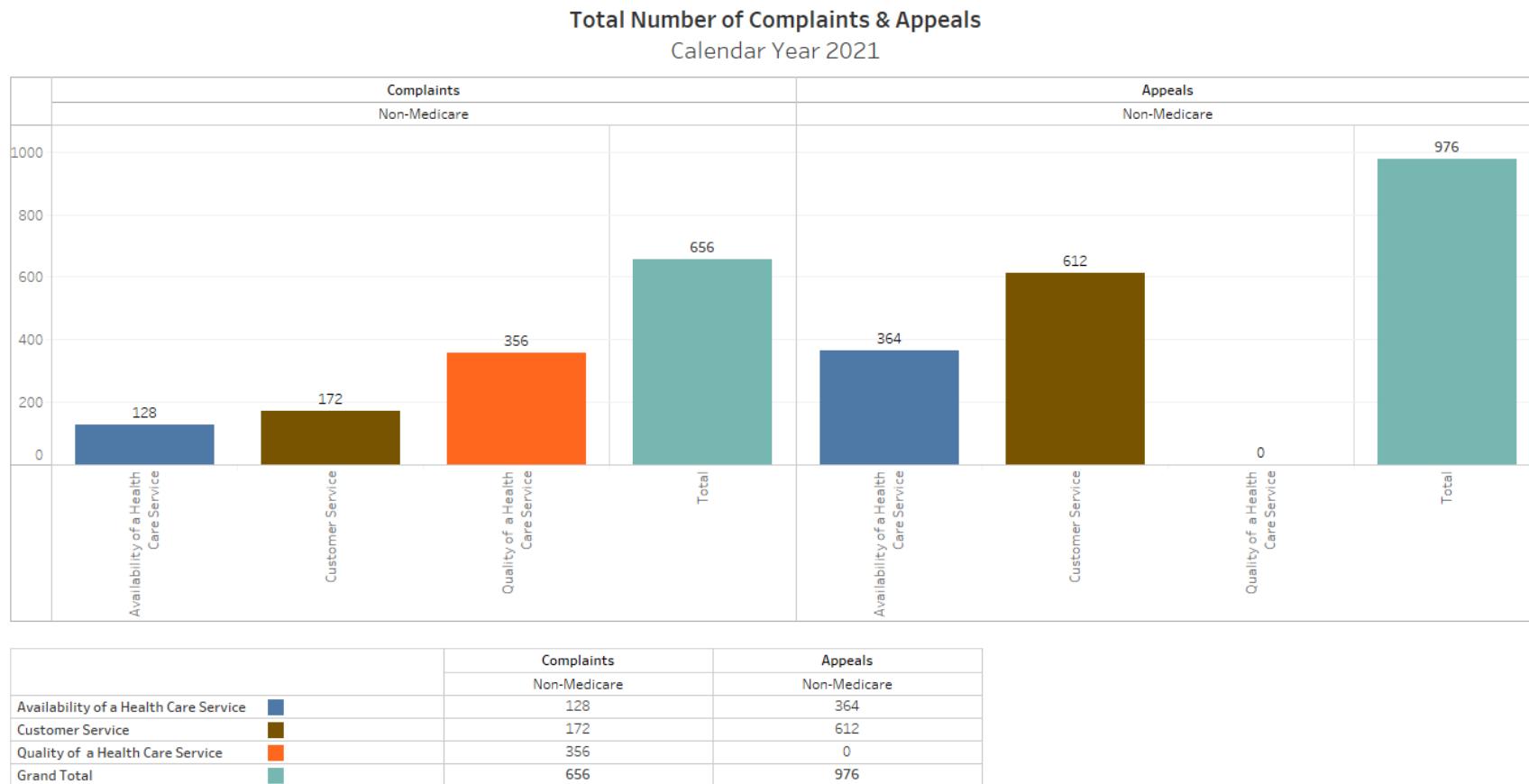
List of tables:

- [Table 1: PEBB Complaints and appeals by category, CY2021](#)
- [Table 1A: PEBB Complaints and appeals by category, CY2021](#)
- [Table 2: Total of all PEBB complaints and appeals by quarter, CY2021](#)
- [Table 2A: Total of all SEBB complaints and appeals by quarter, CY2021](#)
- [Table 3: Complaints and appeals by category per 1,000 PEBB members, CY2021](#)
- [Table 3A: Complaints and appeals by category per 1,000 SEBB members, CY2021](#)

**Table 1 - Total number of PEBB complaints and appeals (Calendar Year 2021)**

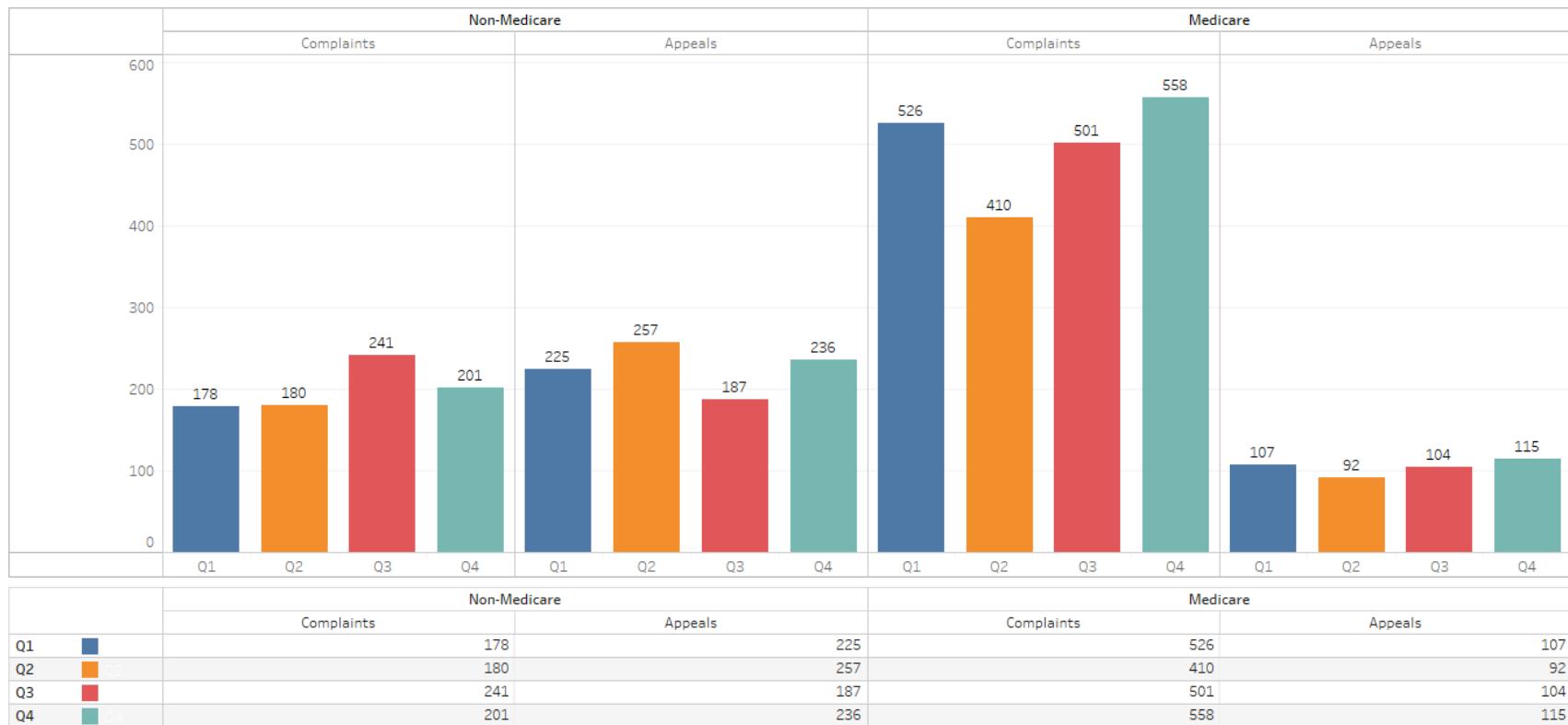


**Table 1A - Total number of SEBB complaints and appeals (Calendar Year 2021)**

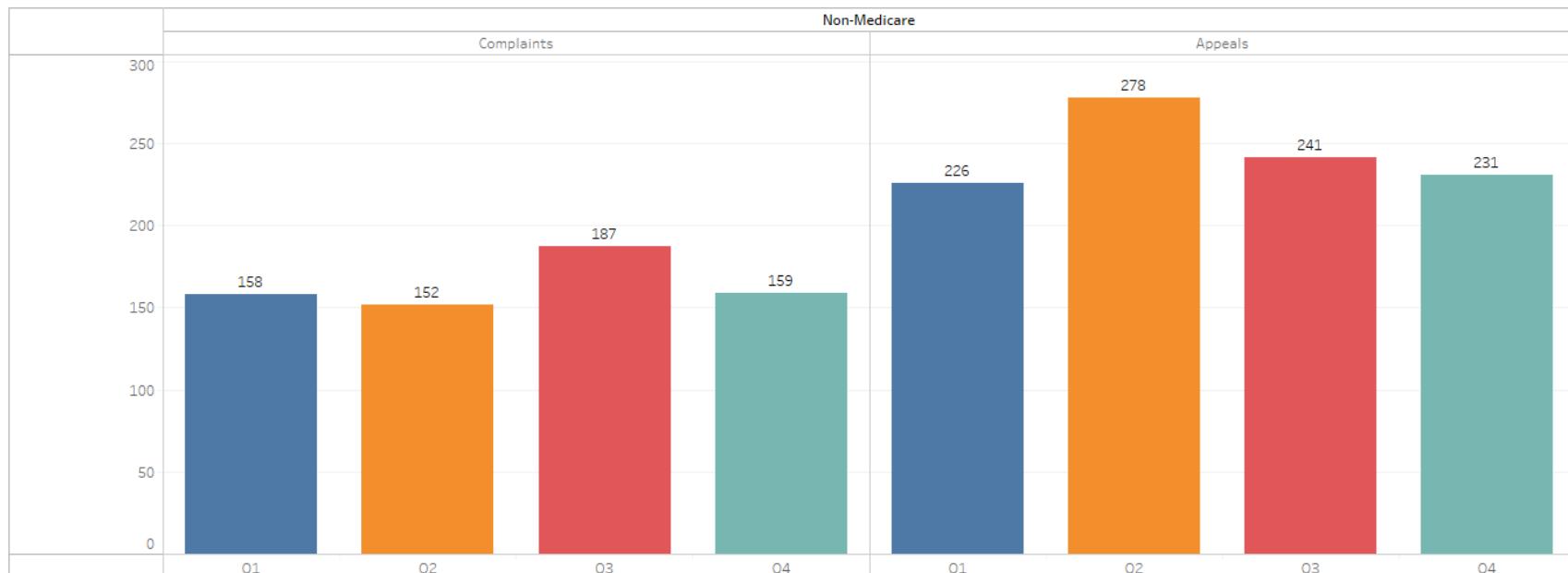


**Table 2 - PEBB complaints and appeals by quarter (Calendar Year 2021)**

**Complaints and Appeals by Quarter  
CY 2021**



**Table 2A - SEBB complaints and appeals by quarter (Calendar Year 2021)**

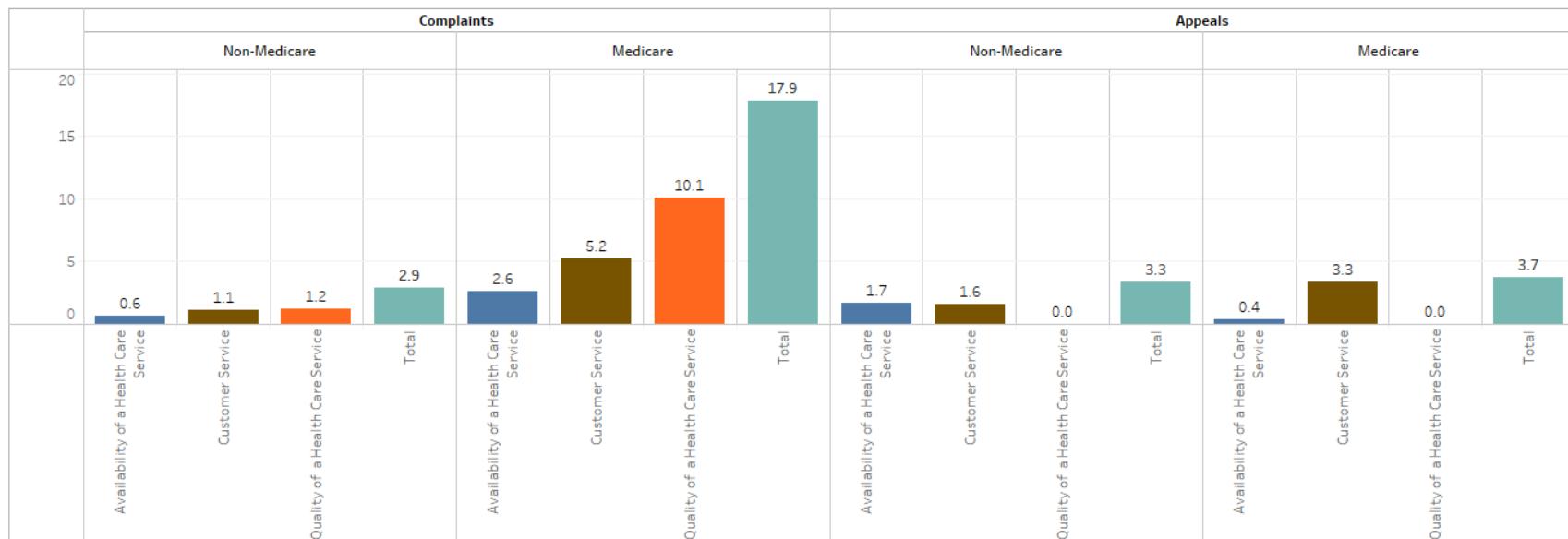


	Non-Medicare		Appeals
	Complaints	158	
Q1	158	158	226
Q2	152	152	278
Q3	187	187	241
Q4	159	159	231

**Table 3 - Complaints and appeals by category per 1,000 PEBB members (Calendar Year 2021)**

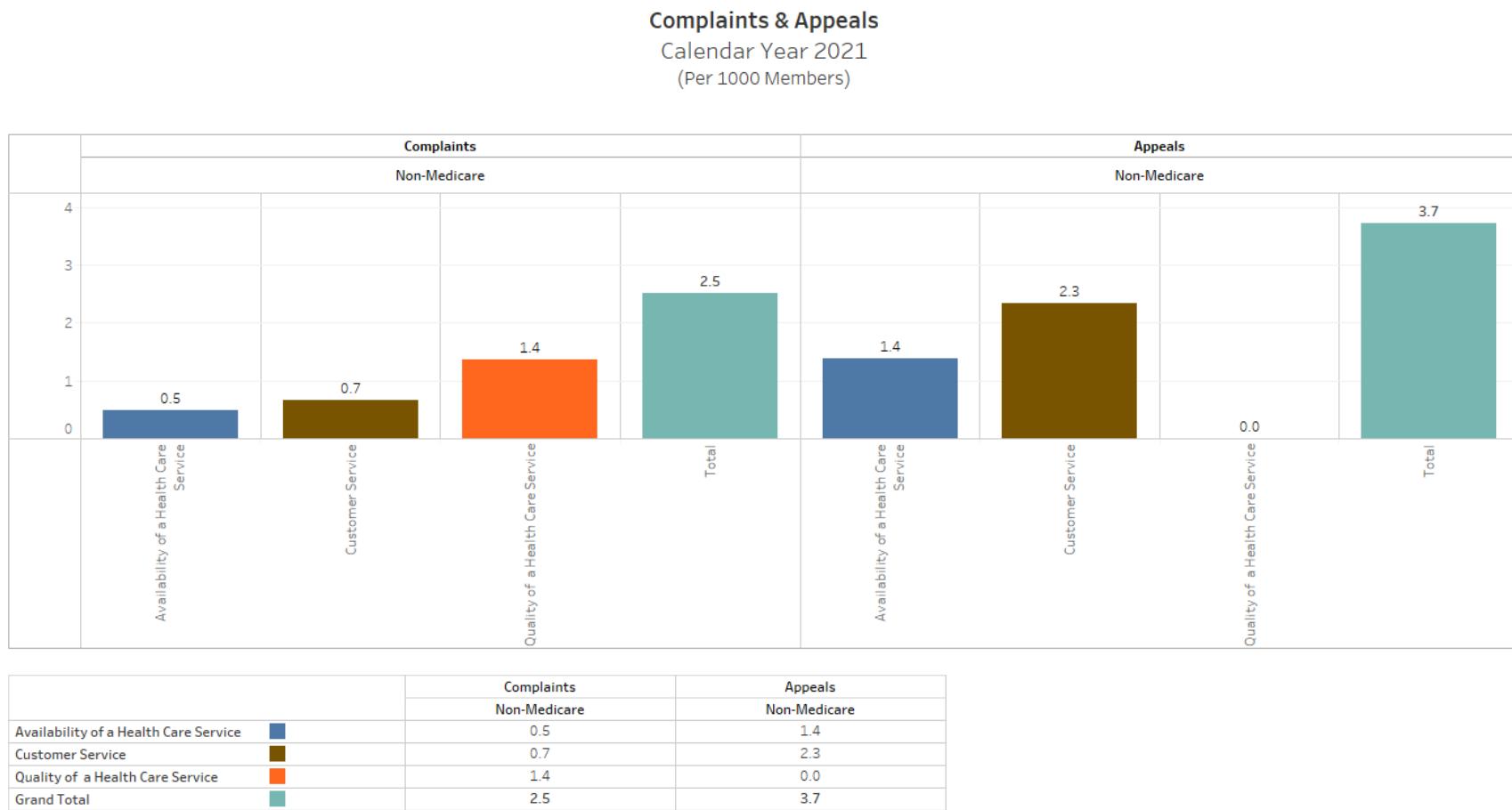
**Complaints & Appeals**

Calendar Year 2021  
(Per 1000 Members)



	Complaints				Appeals			
	Non-Medicare		Medicare		Non-Medicare		Medicare	
Availability of a Health Care Service	0.6		2.6		1.7		0.4	
Customer Service	1.1		5.2		1.6		3.3	
Quality of a Health Care Service	1.2		10.1		0.0		0.0	
Grand Total	2.9		17.9		3.3		3.7	

**Table 3A - Complaints and appeals by category per 1,000 SEBB members (Calendar Year 2020)**



## Key findings explained

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### Medicare population for 2021

For 2021, the number of complaints in the PEBB Medicare population was more than twice the number of the PEBB non-Medicare population, despite the Medicare population being only 42 percent the size of non-Medicare. The total PEBB population for 2021 was 383,551 members.

	Medicare members	Non-Medicare members
Total Population	113,602	269,949
Total Complaints 2,795	71 percent (1,995 complaints)	29 percent (800 complaints)

The number of complaints in total for Medicare also increased from 2020 to 2021 from 1,477 to 1,998, a 35 percent increase. This is likely related to the continued disruption of health care service caused by the COVID-19 pandemic. Many members had difficulty navigating the new landscape of virtual visits and delayed non-emergent procedures that occurred as services were suspended temporarily, staffing shortages, and new disinfection and cleaning protocols for treatment areas slowed or hindered delivery of health care services. Many members also continue to be uncertain about how, when, and where to access health care services, which can impact their perception of quality in the health care services.

As shown from Table 1, in 2021 the focus of complaints has changed. Unlike 2020, "Availability of a Health Care Service" was only 14 percent of complaints (288 complaints) in 2021. A further 29.2 percent or 583 complaints were regarding "Customer Service." More than half of complaints (56.3 percent or 1,124) were under the "Quality of a Health Care Service" category. Because of the lack of definition of that category, we don't have clear insight into what aspects of quality members are objecting to or how the health plans are determining that a given complaint should be placed in the category.

Further, the continued vulnerability of the over 65 Medicare population to infection with Covid-19—especially those with co-morbidities—engendered a lot of fear and concerns. This fear, along with the extensiveness of change and disruption, may account for the complaints rising around quality of health care services. In the new Covid-19-driven world of health care:

- Visits don't go as expected or as they once did.
- New staff and providers may not know the member or the member's medical history as well.
- Increased wait times or staying in one's vehicle until called, instead of a waiting room, may feel like lower quality care to members.

ERB and its health plan carriers have worked to prioritize lowering or removing barriers to access to care where possible. We will continue to work to ensure that quality care is provided to our Medicare populations and to educate our members that changes and restrictions caused by the pandemic do not lower the quality of care that they are receiving.

As for appeals in this population, they increased by approximately 34 percent from 2020 to 2021; however, the data still show a relatively low number overall. The total number of appeals (418) is about 21 percent of the total number of complaints (1,995). Additionally, the majority in 2021 were related to customer service issues and not the availability of a health care service, so this is an improvement over the 2021 report. Our plans have responded to the requests we made about making health care services more available to our members.

Approximately 89 percent of total appeals relate to customer service. The driver behind this shift is likely the high employee turnover caused by the COVID-19 pandemic and the "Great Resignation"<sup>1</sup>. High staff turnover may lead to less experienced customer service staff and more mistakes or misunderstandings in information shared at the customer service level. Appeals may reflect members seeking relief from misquotes or misstatements of allowed services caused by inexperienced plan staff. Appeals can also result from members misunderstanding their plans, so ERB will continue working with our plans to encourage improved customer service staff education and more communication with members to educate them about their plan coverage.

The Medicare population exists only in the PEBB program, so there are no comparisons to the SEBB program in our findings.

## PEBB Non-Medicare Population for 2021

In the non-Medicare population, complaints were slightly lower than for 2020, down by about forty-five complaints from 845 to 800 or a bit more than five percent year over year. Complaints were also down about 18 percent in the "Customer Service" category from 365 complaints to 300. "Quality of a Health Care Service" represented the highest category of complaint, but it was only 42 percent of total complaints, while Customer Service was 37.5 percent, and Availability of a Health Care Service was the low at almost 22 percent.

Increased access to health care services and improved customer service since the temporary suspension of many health care services in 2020 seem to be responsible for the decrease in complaints. Results also indicate that non-Medicare members are generally receiving health care services but may not be as satisfied with the quality of the services. It should be noted that the same fears around the COVID-19 pandemic and the disruption of health care cited above when discussing the Medicare population may affect this non-Medicare population. This, along with the lack of granularity in the data, makes it challenging to assume too much about the actual quality of health care services being offered. It seems that education about how the disruptions affect staffing and services may be the most efficient means for correcting the perceived quality problem.

As was the case in 2020 for the non-Medicare population, there were more appeals than complaints in 2021. However, the volume of appeals decreased in 2021 by nine percent. This may indicate that some members *did* attempt to follow the complaint process first and did not move directly to an appeal. Nevertheless, the disconnect between complaints and appeals means that we must continue efforts to educate members about the complaint process, which may prevent an increase in the number of appeals.

More important to address for the non-Medicare population is the sudden surge in customer service appeals. In 2020, only ten appeals concerning customer service were registered, but in 2021, there were 436 appeals. This indicates to ERB that there are internal issues at the health plans which are causing disruptions to customer services. This increase, again, may be linked to the shortage of well-trained and experienced staff cite above. Educating members about the complaint process should remediate these

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<sup>1</sup> "The "Great Resignation" in perspective." From Monthly Labor Review: Bureau of Labor Statistics. United States Bureau of Labor. July 2022. <https://www.bls.gov/opub/mlr/2022/article/the-great-resignation-in-perspective.htm>. Retrieved August 17, 2022.

appeals to some degree, but ERB will also partner with our carriers to ensure that customer service representatives and other staff are provided with more robust training so that they are better able to explain the health plans to our members and avoid the customer service disruptions causing these appeals. We will also recommend that the carriers focus on provider training and retention going forward.

## **SEBB Population in 2021**

SEBB population for 2021 was 267,511 members. The SEBB population does not include retirees, nor does it include any Medicare beneficiaries. The findings from the SEBB population are most comparable to the PEBB non-Medicare population. However, since SEBB plans first became available in January 2020, there is not enough SEBB data for direct comparison on a long-term basis, yet.

In the SEBB population, the total number of complaints was 656. Of the complaints, slightly more than 19 percent were related to "Availability of a Health Care Service." "Customer Service" accounted for 26 percent of the complaints and "Quality of a Health Care Service" accounted for the remaining 54 percent. It should be noted that the same fears around the COVID-19 pandemic and the disruption of health care cited above when discussing the PEBB population may affect this SEBB population. This, along with the lack of granularity in the data, makes it risky to assume too much about the actual quality of health care services being offered. It seems that education about how the disruptions affect staffing and services may be the most efficient means for correcting the perceived quality problem.

For the SEBB population, there were about a third more appeals than complaints. As with ERB's PEBB population, some of this disparity may come from members who may have bypassed complaints and filed an appeal as their initial step toward resolving an issue. These numbers may be reduced by continued education of members on the complaint process. However, appeals rose by 12 percent between 2020 and 2021, so we must address the increase in appeals as well.

Like 2020, most appeals (63 percent) were related to "Customer Service.". The rest of the appeals were related to "Availability of a Health Care Service." There were no appeals related to "Quality of a Health Care Service." The lack of granularity in the data and the broad definition of customer service make it difficult to drill down to the portion of customer service that members faced problems with, but it indicates to ERB that there are internal issues at the health plans which are causing disruptions to customer services. Again, we postulate that the driver behind these appeals is likely the high employee turnover caused by the COVID-19 pandemic and the current worker shortage. As suggested for responding to the PEBB non-Medicare population, ERB will also partner with our carriers to ensure that customer service representatives and other staff are provided with more robust training to avoid disruptions that may be causing these appeals. We will also recommend that the carriers focus on provider training and retention going forward.

## **2021 Plan Year**

Table 2 lays out the timing of all complaints and appeals during each quarter of the 2021 plan year for PEBB. Table 2A lays out the quarterly report for the SEBB population. Unlike 2020, the timing of complaints appears to be steady across all four quarters of the year. Certainly, no quarter stands out as particularly low or high in comparison to other quarters. Appeals also seem to be steady across the quarters.

Eligibility appeals (which are handled by ERB) usually peak in late February and early March as members realize that they have an enrollment issue. In past years, those cases have typically dropped off sharply after the end of Quarter 2, often by as much as 70 percent. No such drop off is seen in the 2021 data.

## 2021 Complaints and Appeals per 1,000 Members

### PEBB Population

Table 3 shows the rate of PEBB complaints and appeals per 1,000 members of each population in total and per category. Table 3A shows the rate of SEBB complaints and appeals per 1,000 members in the same format.

For the Medicare population, the rate of complaints was significantly higher at 17.9 per 1,000 members, while the rate of appeals was only 0.4 decimal points higher at 3.7. Complaints in 2019, were 15.1 per 1,000 members, then dropped to 13.5 per 1,000 in 2020, only to rise by 2.8 per 1,000 for 2021. The numbers of complaints may be linked to the methods some carriers used to sort member complaints into the categories, which can result in a complaint being counted more than once.

In 2019, appeals were rare at less than 1 per 1,000 members of the Medicare population. For 2020, the number of appeals was 2.9 per 1,000 members. For our latest report, the number has risen to 3.7 per 1,000 members. This volatility is expected given the effects of the pandemic on health care in general, but ERB will be tracking these numbers closely moving forward to attempt to arrest any upward trend that may be brewing.

For the non-Medicare population, there were 2.9 complaints per 1,000 members, while appeals were 3.3 per 1,000. These numbers both decreased slightly from last year.

### SEBB Population

As shown in Table 3 A, total complaints for the SEBB population were 2.5 per thousand, up from 1.7 per 1,000 members in 2020. Appeals were 3.7 per 1,000 members, only slightly higher than 2020 results (3.3 per 1,000 members). However, these numbers are consistent with the numbers of the non-Medicare PEBB population, which may imply that the numbers of complaints and appeals are relatively stable year over year. As with the PEBB numbers, there is the possibility that member complaints were recorded in multiple categories.

## Conclusion

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The increase of complaints compared to 2020 is likely related to the ever-changing circumstances of health care during the COVID-19 pandemic, the effect of shortages of staff throughout the health care industry, and the impact the pandemic has had on access to care as well as to consumer expectations.

It remains much more difficult to access health care services with hospitals and practices losing providers and experiencing gaps in administrative staff. Additionally, both the PEBB and SEBB populations seem to have continued confusion about the complaint process. We will continue to work with the health plans to improve the communications around the complaint process.

Unlike past years, complaints and appeals were distributed relatively equally across all four quarters of the year for all populations. Instead of the usual steady increase in complaints throughout the plan year with appeals remaining relatively stable, we see instead all populations are registering complaints and requesting appeals during all quarters. No clear trends appear, but this new reality needs to be tracked for future adjustments to health plan strategies for dealing with both complaints and appeals.

It appears that the number of complaints and appeals within the SEBB population are proportionate to those of the PEBB population and are likely to continue to be so. However, both complaints and appeals are rising in our PEBB Medicare population. This is concerning, but the data we collect remains less than transparent, so other methods of gaining information may need to be implemented.

As a final note, the numbers related to quality of health care services should be considered in light of the volatility of the health care environment, the current workplace economy, and the lack of granularity in the data. Having no specifics as to how quality is defined, it is hard to determine whether quality of services is truly declining or whether disruptions are causing a lack of confidence in health care services.

As we come to understand the “new normal” of a post-Covid-19 world, we must work to analyze the effects it will have on our members and their relationships with our carrier health plans. More data will be the main source of information for future analyses.