



Public Employees Benefits Board Annual Report

Customer Service Complaints and Appeals

September 30, 2018

Substitute Senate Bill 6584, Chapter 293, Laws of 2010

RCW 41.05.630

Washington State
Health Care Authority

Public Employees Benefits Board (PEBB) Program
PO Box 42684
Olympia, WA 98504-2684
Phone: (360) 725-0440
Fax: (360) 725-0771
www.hca.wa.gov/erb



Legislative reference

Per the directions of SSB 6584 (2010), codified as RCW 41.05.630, PEBB gathers data during the fiscal year (July 1-June 30) and reports its findings annually in September. However, the plan year runs from January 1-December 31. Therefore, the collected annual data cover half of two calendar years.

Summary statement

During fiscal year 2018, total complaints within the PEBB health plans dropped by 17 percent, despite an increase of nearly 10,000 members in the program. All categories of complaints decreased significantly, which PEBB attributes in part to the recovery from disruptions caused by the Kaiser Permanente acquisition of Group Health Cooperative in fiscal year 2017. The relatively small number of fiscal year 2018 complaints and appeals per 1,000 members indicates that no consistent complaint or appeal trends exist in data for the last five years.

Discussion

This report includes data on the second half of 2017 and the first half of 2018. We separate non-Medicare and Medicare members in our findings because these populations are in separate risk pools. Insurers form risk pools to spread risk evenly across a population of insured lives. Each health plan provided the number of complaints and appeals related to these three categories:

1. Availability of a health care service;
2. Customer service; and
3. Quality of a health care service.

However, the data is limited by three factors.

1. The plans do not use these three specific categories to track complaints internally or in other reports to the HCA. Each plan individually decides where to place complaints and appeals into these three categories. This may result in some variation in how the plans sort complaints.
2. This report includes only those complaints and appeals that fit into one of the three named categories. Complaints and appeals that do not fit into one of the three named categories are not included in the data that the medical plans provide.
3. Plans may change significantly between plan years. However, because of the fiscal year data collection period, improvements or worsening of complaints and appeals trends may not be discernable.

During fiscal year 2018, total complaints within the PEBB health plans dropped from 2,493 to 2,087, a decrease of 17 percent from fiscal year 2017, while the population of enrollees increased by 9,440 (2.4 percent) during the same period. Total complaints among non-Medicare enrollees decreased from 1,589 to 1,349, or 16 percent (see Table 3). Total complaints among Medicare enrollees decreased from 904 to 738, a 19 percent decrease (see Table 3). Total PEBB appeals also



declined from the previous year: appeals by non-Medicare enrollees dropped 30 percent, from 905 to 633, and appeals by Medicare enrollees dropped 36 percent, from 263 to 169 (see Table 3).

While the total number of complaints and appeals decreased from the previous fiscal year, it's important to note the change in each of the three reported categories and how they contributed to the overall decrease in complaints and appeals. As we see in Table 7, Customer Service complaints were slightly down or remained constant across the non-Medicare and Medicare populations; Customer Service appeal rates were identical to last year. Complaints about Quality of a Health Care Service also fell, especially among Medicare members (where they dropped nearly 38 percent), and appeals were almost non-existent for the third year in a row for both populations (see Table 9). Among non-Medicare members, Availability of a Health Care Service Complaints also fell significantly: 69 percent for non-Medicare enrollees and 67 percent for Medicare enrollees (see Table 5).

Although complaints overall declined, there was an increase in appeals for Availability of a Health Care Service. During fiscal year 2018, those appeals increased from 459 to 623, by 27 percent, on the non-Medicare side and from 93 to 162, or 43 percent, on the Medicare side (see Table 5). Although these numbers represent a large one-year increase in appeals—a result of unsolved complaints that had to be elevated—this measure has had a history of volatility over the past five years.

Fiscal years 2016 and 2017 may have been anomalies in the overall pattern of appeals for Availability of a Health Care Service. In fiscal year 2014, for instance, appeals for Availability of a Health Care Service were at 564 in the non-Medicare population and 214 in Medicare. Those numbers rose in fiscal year 2015 to 622 and 208, respectively (see Table 5). The current numbers resemble those years' totals, so fiscal years 2016 and 2017 might simply have been years of low volatility.

The aggregated data on appeals for Availability of a Health Care Service prevents us from analyzing the root causes of the volatility in the measure, but the increase in appeals may be due, in part, to member pushback against medical plan exclusions, or a need for more member education around exclusions, pre-authorizations, and medical necessity. Some of the appeals from within the Medicare population may be a result of members misunderstanding of the roles of their health plan and Medicare. For example, members who seek health care services not covered by Medicare may be making appeals to the health plan, rather than to Medicare. PEBB will continue to work with the health plans to educate enrollees about Availability of a Health Care Service and attempt to stabilize the volatility in these appeals.

The overall decrease in complaints and appeals seems to indicate that the disruptions in fiscal year 2017 caused by the acquisition of Group Health Cooperative by Kaiser Permanente have settled within the enrollee population. The lower number of complaints suggests that the new plan, Kaiser Permanente Foundation Health Plan of Washington, is handling grievances in a way that satisfies many PEBB members.



Conclusion

The disruption created by the initial acquisition of Group Health Cooperative by Kaiser Permanente has settled as enrollees learned to work with the new plan, Kaiser Permanente Foundation Health Plan of Washington. The result has been a decrease in complaints and appeals for 2018.

The only anomaly is in the category of Availability of a Health Care Service. The data in that category have been volatile over the five-year history of the Complaints and Appeals Report. The aggregated data make it difficult to find solutions that would lower these appeals. PEBB staff will work with the health plans to analyze the root cause of the appeals in this area and develop strategies to improve these numbers, along with the overall number of complaints and appeals.

Taken as a whole, the low numbers of complaints and appeals per 1,000 PEBB enrollees in all categories indicates that no consistent complaint or appeal trends exist in the data for the last five years.



PEBB Health Plan Complaints and Appeals Data

Table 1. Total Number of Appeals and Complaints July 2017-June 2018

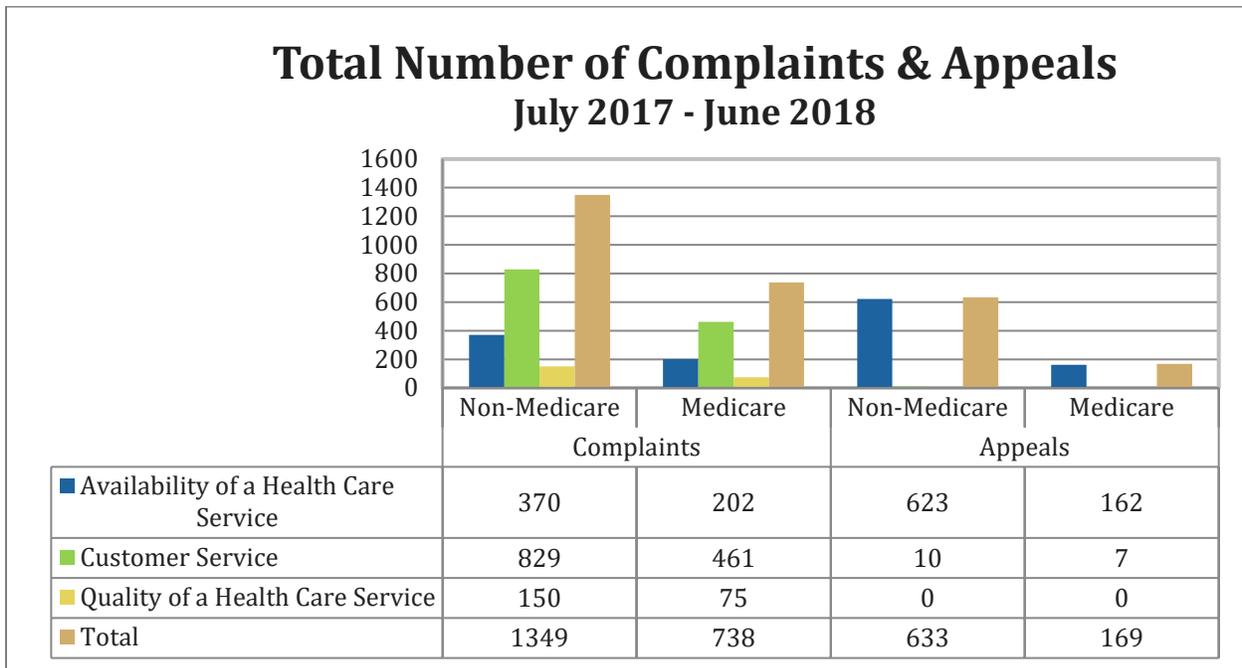
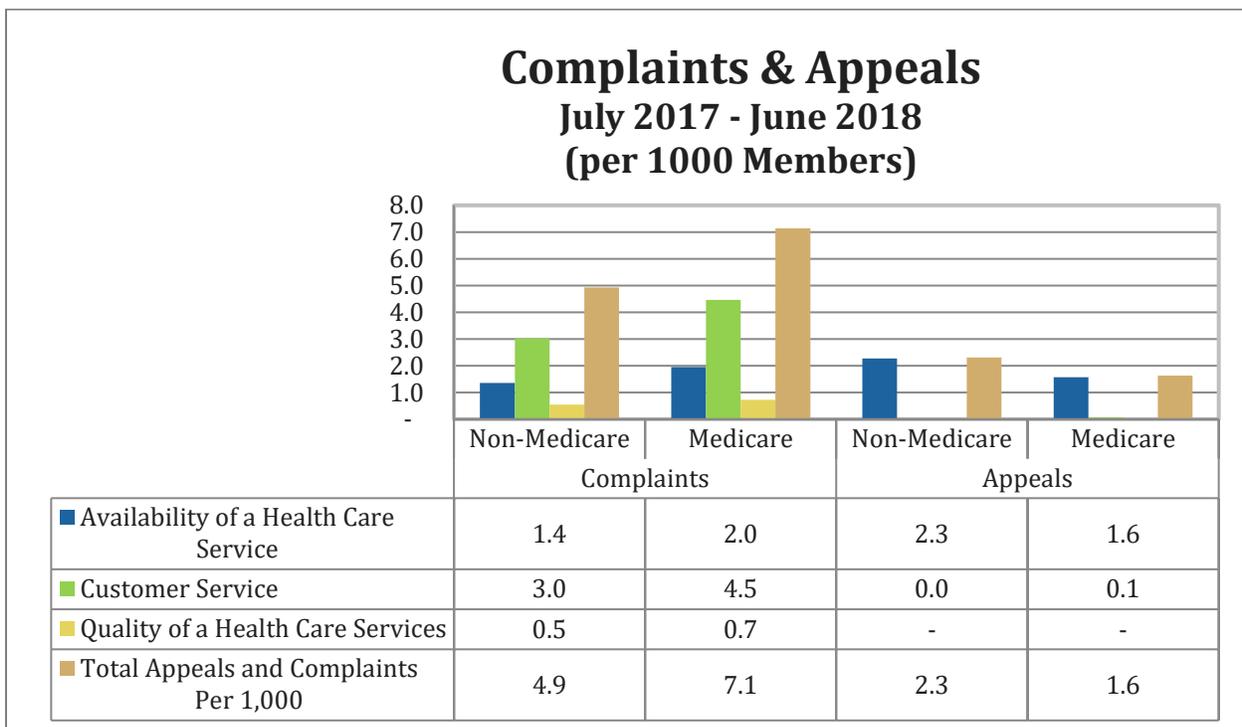


Table 2. Total Number of Appeals and Complaints Per Thousand Members July 2017-June 2018



Complaints and Appeals Data 2013-2018

Table 3: Total Complaints and Appeals 2013-2018

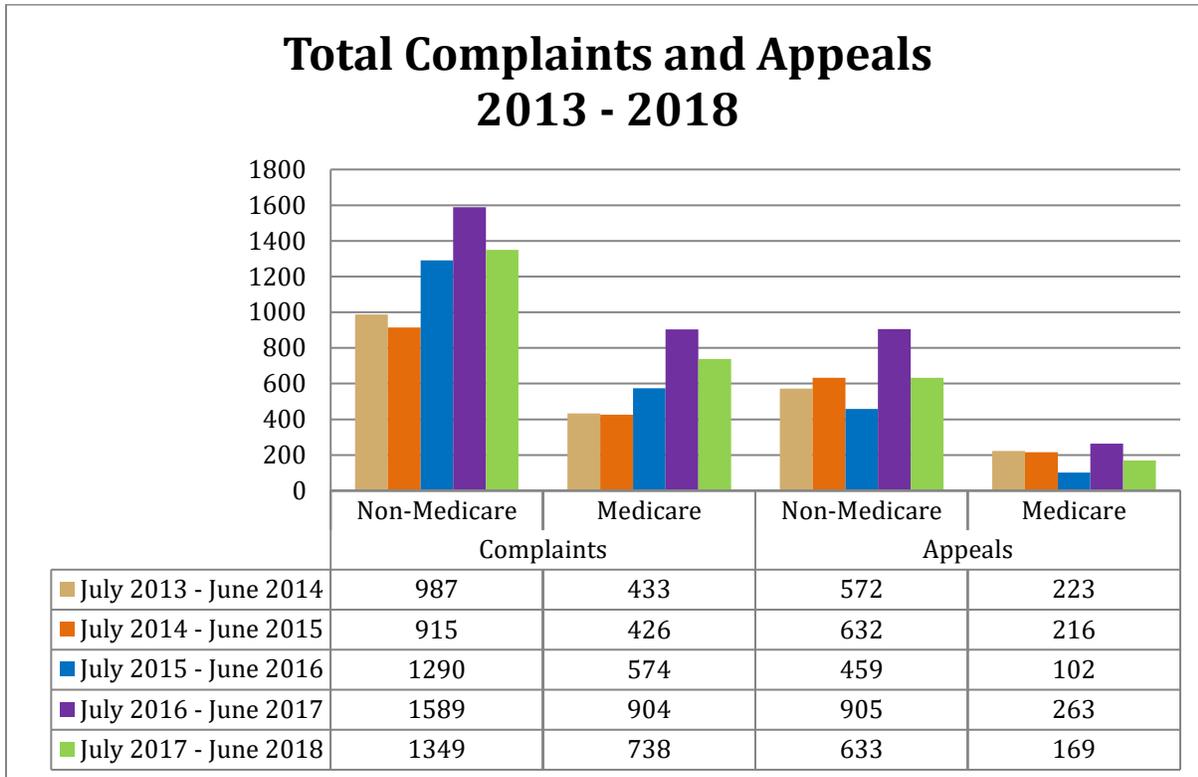


Table 4: Total Complaints and Appeals Per 1,000 Members 2013-2018

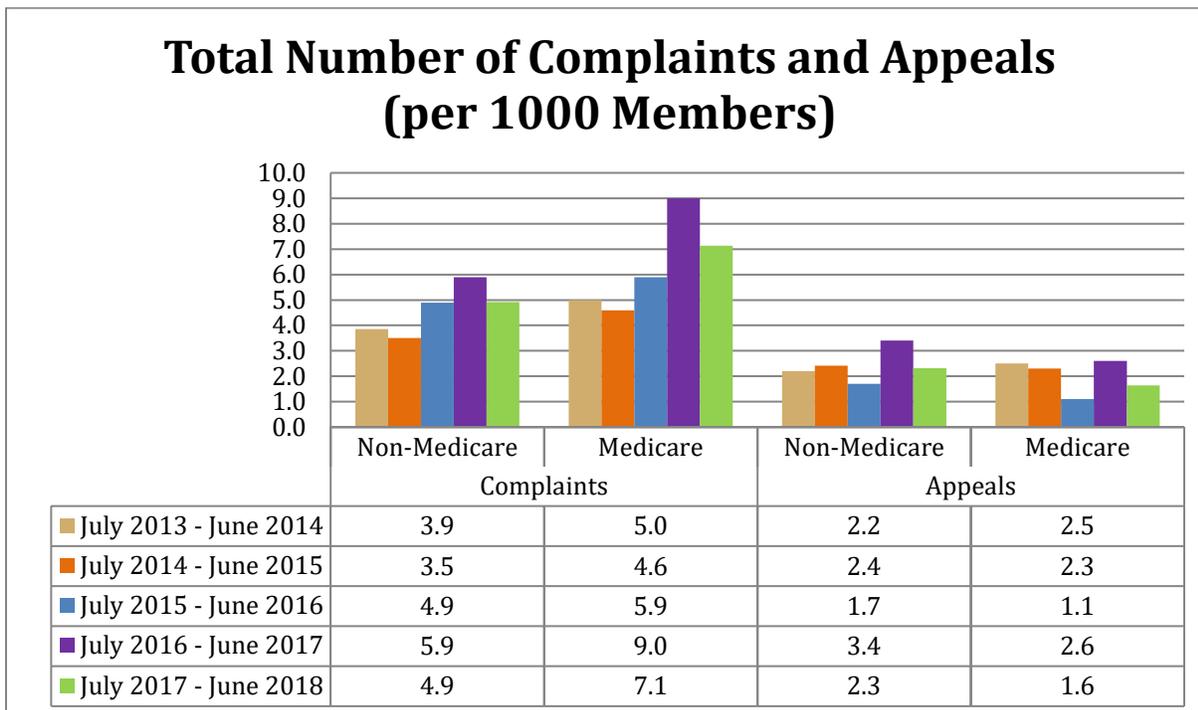


Table 5: Availability of a Health Care Service 2013-2018

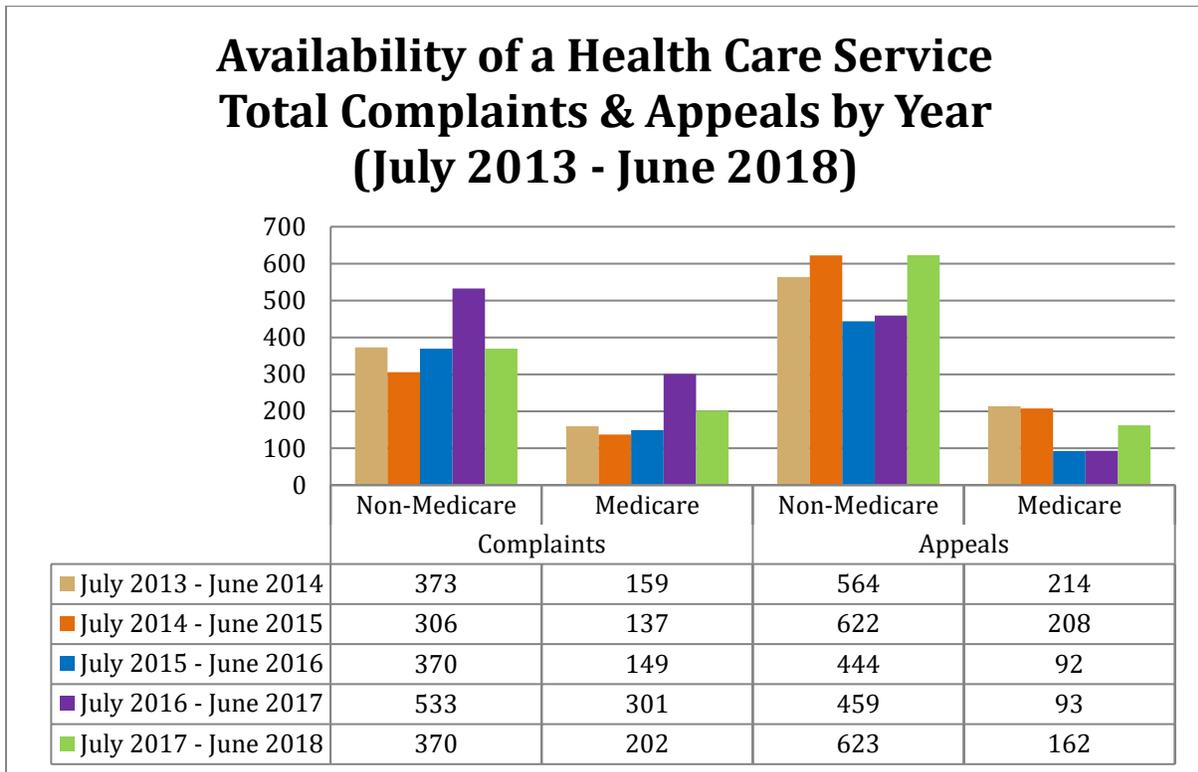


Table 6: Availability of a Health Care Service per 1,000 Members 2013-2018

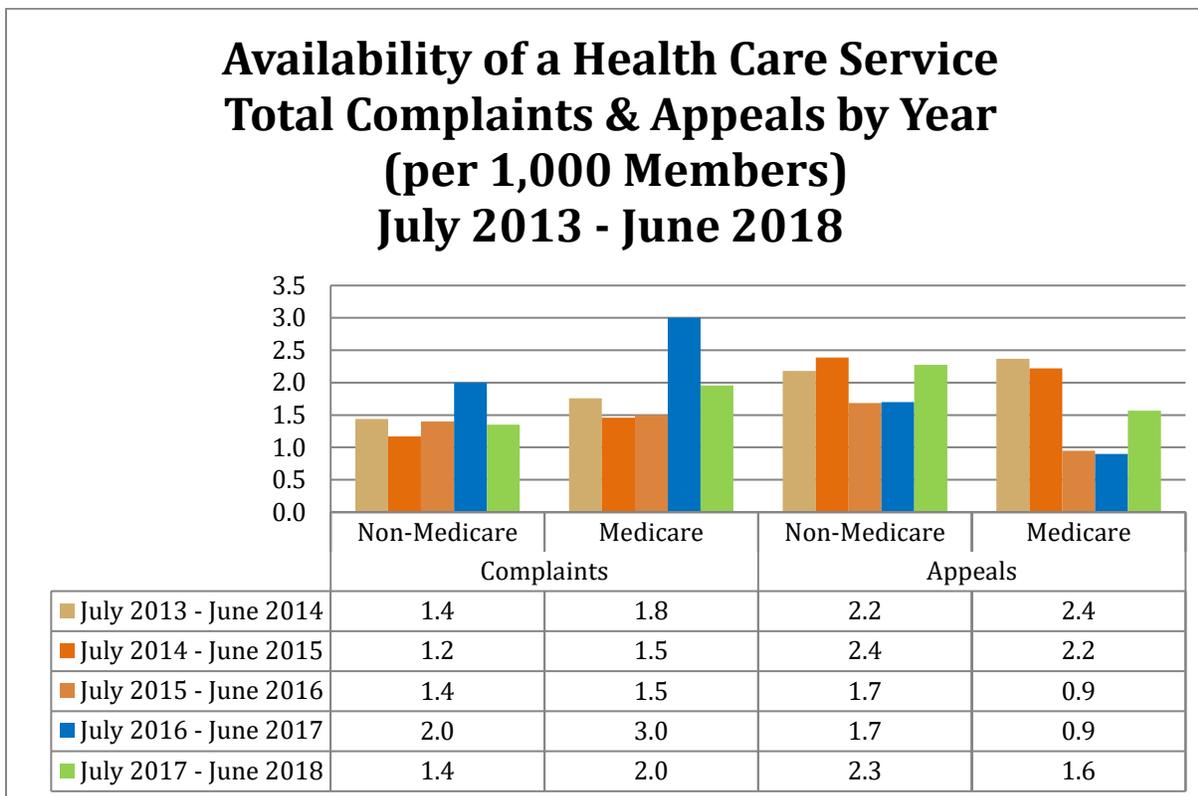


Table 7: Customer Service 2013-2018

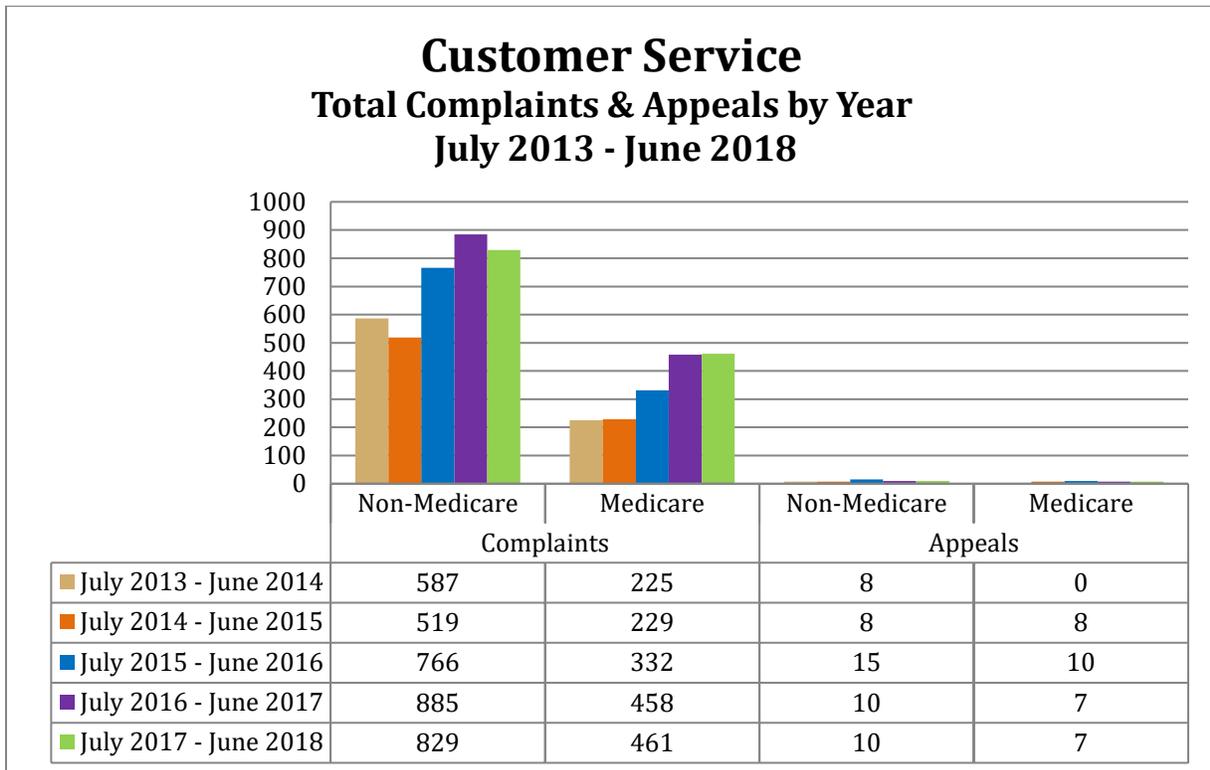


Table 8: Customer Service per 1,000 Members 2013-2018

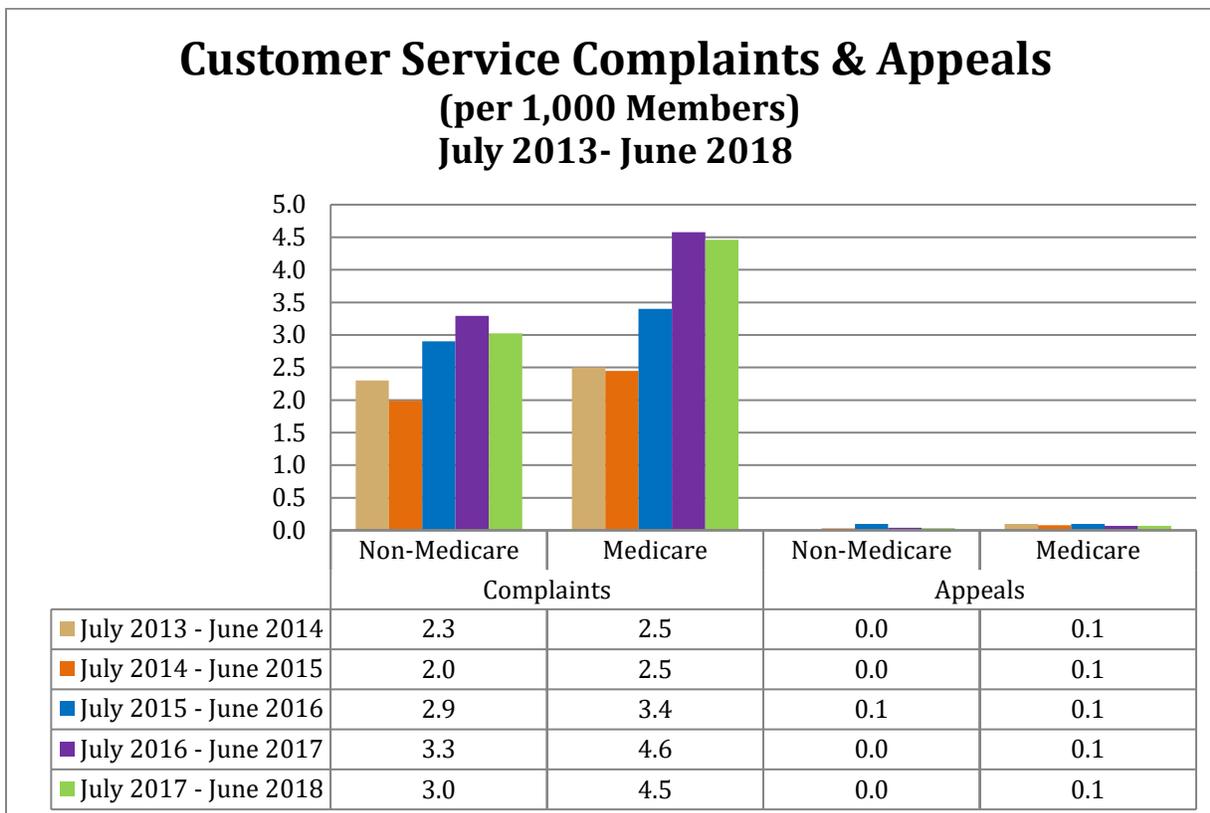


Table 9: Quality of a Health Care Service 2013-2018

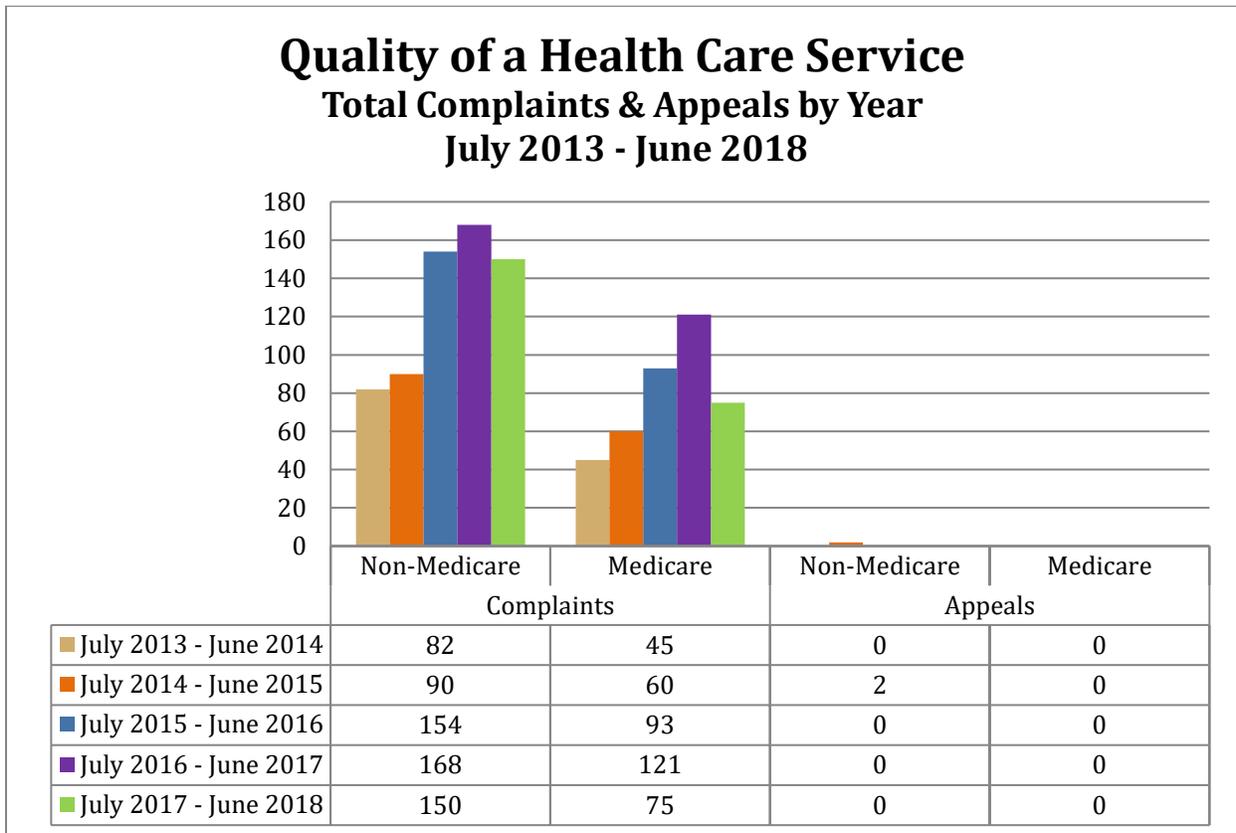
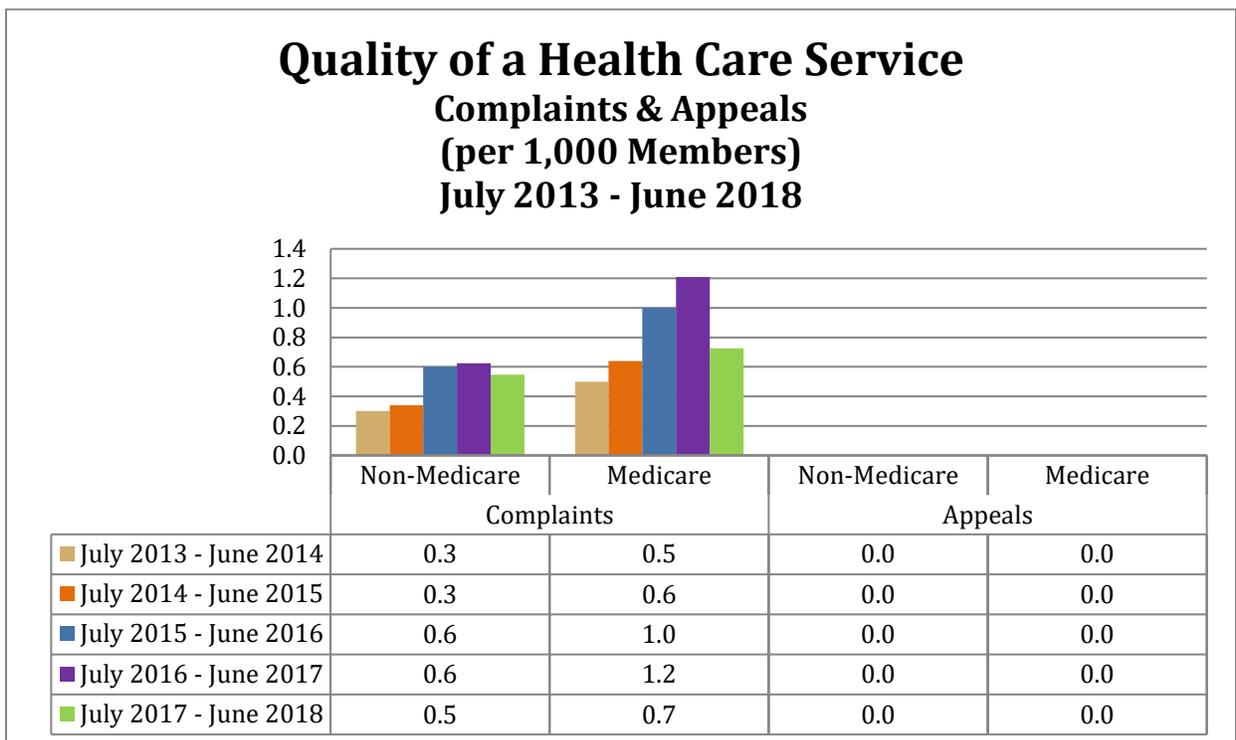


Table 10: Quality of a Health Care Service per 1,000 Members 2013-2018



Appendix

The PEBB Program offers three types of medical plans (value-based plans noted in **bold**):

Consumer-directed health plans (CDHPs)

CDHPs let you use a health savings account (HSA) to help pay for out-of-pocket medical expenses tax free, have a lower monthly premium than most other plans, and a higher deductible and a higher out-of-pocket limit.

- **Kaiser Permanente NW CDHP***
- **Kaiser Permanente WA (formerly Group Health) CDHP**
- UMP CDHP

Managed-care plans

Managed care plans may require you to select a primary care provider (PCP) within its network to fulfill or coordinate all of your health needs. The plan may not pay benefits if you see a noncontracted provider.

- **Kaiser Permanente NW Classic***
- **Kaiser Permanente WA (formerly Group Health) Classic**
- **Kaiser Permanente WA (formerly Group Health) SoundChoice**
- **Kaiser Permanente WA (formerly Group Health) Value**

Preferred provider organization (PPO) health plans

PPO's allow you to self-refer to any approved provider type in most cases, but usually provide a higher level of coverage if the provider contracts with the plan.

- UMP Classic
- **UMP Plus–Puget Sound High Value Network**
- **UMP Plus–UW Medicine Accountable Care Network**

*Kaiser Foundation Health Plan of the Northwest, offered only in Clark and Cowlitz counties in WA, and selected counties in OR.



Exhibit

The PEBB Program's medical plans complaints and appeals demonstrated by UMP and Kaiser Permanente plans from state fiscal year 2018.

Uniform Medical Plans

PEBB Enrollee Appeals and Complaints				
COMPLAINT CATEGORY	Complaints		Appeals	
	# of Active	# of Retired	# of Active	# of Retired
Availability of a Health Care Service	36	14	444	55
Customer Services	156	95	4	0
Quality of a Health Care Services	81	24	0	0
Total Number of Appeals and Complaints	273	133	448	55

Kaiser Permanente Northwest

PEBB Enrollee Appeals and Complaints				
COMPLAINT CATEGORY	Complaints		Appeals	
	# of Active	# of Retired	# of Active	# of Retired
Availability of a Health Care Service	7	9	7	4
Customer Services	27	55	6	7
Quality of a Health Care Services	35	41	0	0
Total Number of Appeals and Complaints	69	105	13	11

Kaiser Permanente Washington

PEBB Enrollee Appeals and Complaints				
COMPLAINT CATEGORY	Complaints		Appeals	
	# of Active	# of Retired	# of Active	# of Retired
Availability of a Health Care Service	327	179	172	103
Customer Services	646	311	N/A	N/A
Quality of a Health Care Services	34	10	N/A	N/A
Total Number of Appeals and Complaints	1007	500	172	103

