

Insurance customers begin new year with delays

January 19 2016, by Kelli Kennedy And Tom Murphy



Chris Rogers, right, talks to Epilepsy Foundation Navigator Barbara Meneses as Rogers prepares to enroll for health care coverage, Tuesday, Jan. 12, 2016, in Coral Gables, Fla. Thousands of health insurance consumers around the country have started the new year dealing with missing ID cards, billing errors and other problems tied to an enrollment surge at the end of 2015. Brokers and insurers in several states told The Associated Press that they've been inundated with complaints about these issues from customers with individual plans and those with coverage through small businesses. (AP Photo/Alan Diaz)

Thousands of health insurance consumers around the country have started the new year dealing with missing ID cards, billing errors and other problems tied to an enrollment surge at the end of 2015.

Brokers and insurers in several states told The Associated Press that they've been inundated with complaints about these issues from customers with individual plans and those with coverage through small businesses. Insurance provider Health Care Service Corp., for instance, has been dealing with delays for about 10,000 companies, while billing errors caused bank overdrafts for 3,200 individual customers of a North Carolina insurer.

These delays mean that some customers may have to pay for care up front or wait for their insurance cards to arrive before scheduling a doctor's appointment, even though many have technically been covered since Jan. 1.

"I've been in the health insurance business 20 plus years, and I've never seen anything like this," said Dallas-based broker Tanya Boyd, who estimates that hundreds of customers have complained about delays in receiving their insurance cards or a confirmation of coverage.

The delays are due in part to more customers than expected shopping for coverage late last year after carriers ended plans in some markets, leaving thousands to find new ones. And a last-minute enrollment deadline extension from the federal government gave people two more days to sign up. An expansion of the Affordable Care Act's mandate that employers cover their workers also may have contributed to the rush.

It's unclear how many people have had trouble so far this year. To be sure, a certain amount of problems can crop up at the start of every year, after insurers wrap up a busy holiday season clogged with enrollment periods for several types of insurance. But brokers say this year has been

exceptional.

Boyd, the Dallas broker, said her market was swamped after Blue Cross and Blue Shield of Texas stopped offering a popular plan that covered about 400,000 people with a wide network of providers. Boyd helped client Bridget Eyler find another plan with a narrower network of providers after the insurer mistakenly enrolled her in a plan she didn't choose. But Eyler, an attorney from the Dallas suburb of Coppell, says she wasn't officially in the system until a few days ago and still has no documents proving she's insured.

Changing federal deadlines also contributed to the problem in some markets. Consumers who wanted coverage that started Jan. 1 originally had to sign up by Dec. 15. But HealthCare.gov, the federal website that handles applications for coverage from ACA exchanges in most states, announced Dec. 15 that it would extend the deadline two days due to heavy demand.

That gave Blue Cross and Blue Shield of North Carolina a rush of last-minute business as it was transitioning to a new customer service system. The company said in a statement that it had planned for a 40 percent increase in customer service calls this year but was hit with a 500-percent jump.

That "strained our systems beyond the extra capacity we had planned for this busy time of year," CEO Brad Wilson wrote in a recent blog post.

The insurer had some delays in delivering insurance cards to some customers and took too much money from the bank accounts of 3,200 customers. The company said Friday it had reversed a vast majority of the bank account overdrafts, and nearly all of its customers have received their cards.

For its part, Health Care Service Corp. had resolved by late last week about half of the roughly 10,000 delayed applications it was dealing with for new small business coverage. Spokesman Greg Thompson said the insurer, which operates Blue Cross-Blue Shield plans in five states and covers about 16 million people, is working to process the remaining applications as quickly as possible.

Applications for that coverage quadrupled and slowed the insurer's processing. Thompson said the company doesn't know how many people were affected or why they saw an application spike. He said an expansion of the ACA's employer coverage mandate may have contributed.

This year, the law started requiring small businesses with 50 to 99 employees to provide coverage for their workers. Last year, that requirement extended only to companies with 100 employees or more.

In California, insurance broker Craig Gussin said only about half of the 150 clients he helped enroll in small business health coverage that started Jan. 1 have received insurance ID cards. He said every insurer he deals with has been slowed by a rush of companies seeking new coverage at the end of 2015 because they faced big premium hikes from older plans.

"Every agent I talk to it's the same horror story... there's just incredible backlog," the San Diego-based agent said.

Brokers say most remaining problems should be resolved by the end of the month. But some confusion or delays may return in future years because many shoppers tend to buy coverage at the last minute, and then they don't have to make a payment until after coverage starts. These factors can delay the delivery of cards or confirmation of coverage.

While insurers and brokers sort out remaining complications, Michael

MacGregor will wait to see if a recent doctor's visit is billed to his new plan, the old one or both. The 53-year-old Cape Coral, Florida, accountant and his wife switched in November to a new plan offered by the same insurer, Florida Blue.

But their insurer automatically renewed them in their old plan, even though they had paid for the new one. Florida Blue says a high volume of customers, caused partially by competitors leaving its market, has created some enrollment problems this year.

Meanwhile, the couple wound up receiving six insurance cards for the two plans plus another two that were meant for a total stranger who lives 30 miles away.

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