



How to Handle a Denied Medical Claim

A denied medical claim is anything but welcomed. However, knowing how to handle one if it happens makes the process a little easier. Let's start with some preventative measures before discussing how to appeal a denied claim:

1. Understand your insurance policy and benefits

Knowing what your plan will and will not cover, prior to a procedure or doctors appointment, allows you to make more informed decisions about your healthcare. Depending on your carrier and benefit plan, this information will be outlined on the insurance company's web site or is available from your HR department.

2. Know when you need to obtain pre-authorization

It is your responsibility to determine when you need to obtain pre-authorization for a procedure or doctors appointment, and to make sure you and/or your provider receives approval. You can also find this information in the benefit plan documentation or by calling the insurance company's customer service.

How do you know if a claim is denied?

You already paid your co-payment and saw the doctor. It's over and done, right? Well not exactly. No one particularly enjoys sorting through the paperwork after surgery or a doctor's visit, but the confusing EOB (Explanation of Benefits) sent by your insurance company details the provider payment and how much you may still owe... or that your claim has been denied! Be sure to review the paperwork to understand why the claim has been denied. Typically, there will be a "Reason Code(s)" and explanation listed on the EOB.

How to appeal a denied claim:

If all or part of your claim is denied and you have reason to believe it should be covered, follow these steps:

Step One: Collect and organize all information pertaining to the denied claim. Make sure you have the original bill (containing the date(s) of service and the provider's name), your EOB and your insurance card before placing a call. If the insurance company sent you a letter, have that available as well. **Most importantly, review a copy of your insurance policy and know what part of the policy leads you to believe this claim should not have been denied.**

Step Two: Call the number provided on the letter from your insurance company, or if you did not receive a letter, the customer service number. There is a possibility the claim was denied because of missing information. Once the missing information is provided, the claim will be re-processed and you're done.

If this is not the cause, ask the representative for suggestions or guidelines for appealing a denial. If you need an appeal form, ask them to send one via the mail or email. Make sure you have the address for the appropriate department to return the completed appeal documents. Always keep a record of the date, time and the name of the customer service representative you talked with, along with a brief summary of the discussion. Keep this with copies of any documents you send to the insurance company.

Step Three: In appealing the denied claim, you should have the opportunity to review the information the insurance company used to make their decision. If necessary, get your doctor involved. Their office has staff that can help explain, and even send a letter explaining why the procedure/care was needed, or "medically necessary."

Step Four: Remember each insurance company has its own appeal process and time constraint, or deadline, for appeals (typically 90-120 days from the date of service). Before submitting your information, make sure you have completed and include all required paperwork per your specific insurance company's website or customer service representative. Once all documents are complete, make a copy of everything for your reference.

Step Five: If your insurance company denies the claim again, you can contact them to request an external appeal, which will be conducted by a medical professional not associated with the insurance company.

NOTE: Remember to stay calm as your talking on the phone with an insurance representative. A written appeal that is clear and factual carries more impact than a lengthy emotional telephone call.