OTHER OPINION

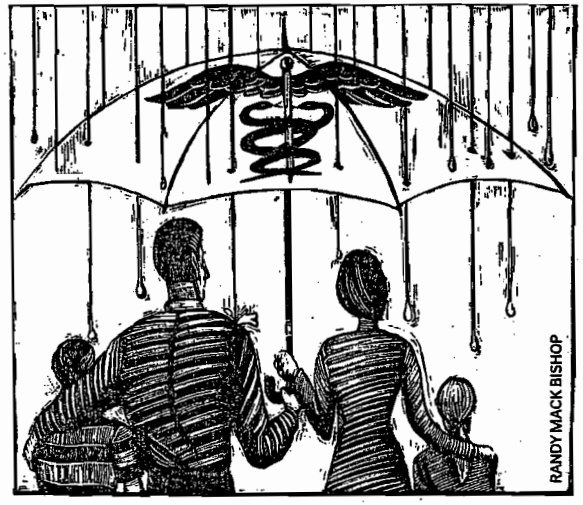
Time To Stop Insurers From Dumping Patients

RICHARD BLUMENTHAL AND KEVIN P. LEMBO

Our state must send a clear and clarion message to insurers: Abusively and arbitrarily denying consumers health care coverage is unacceptable and will be punished.

We have proposed a bill, Senate Bill 1214, which is now under consideration by the General Assembly. It would prohibit insurers from callously and improperly canceling promised insurance benefits, as some are doing.

Our offices assist thousands of people a year struggling with our insurance system. Many are people who paid premiums for months or years in order to have coverage in case of serious injury or devastating disease. But when catastrophic illness struck, some companies abruptly abandoned consumers, citing highly questionable and improper reasons for denying coverage or rescinding insurance policies.



The prime example of this unconscionable behavior is Assurant Health Insurance, also known as Fortis, whose practices a South Carolina court (in imposing a penalty of $15 million against the Assurant's subsidiary) described as "highly reprehensible" and "extreme and outrageous."

In one case, a 34-year-old Connecticut woman was diagnosed with Hodgkin's Lymphoma a month after enrolling in a six-month Assurant policy. Before her diagnosis, the woman mentioned to her doctor a single episode of mild shortness of breath while vigorously exercising some six months earlier. Assurant seized on this minor notation in the patient's medical records as an excuse to deny her coverage for her disease, claiming it proved a "pre-existing condition" for which she should have sought immediate treatment.

Another Connecticut woman was diagnosed with a minor skin condition a few weeks before renewing her Assurant policy. Her doctor wrote a prescription and ordered a battery of tests that failed to identify the cause, leading the doctor to recommend further assessment. In the meantime, her new Assurant policy took effect. Additional tests yielded a cancer diagnosis requiring intensive, expensive and life-saving treatment.

Assurant refused to pay, claiming that the patient should have sought treatment before the new policy took effect, which in fact she had done.

These cases are part of a nationwide pattern and practice: probing consumers' medical histories, and fishing for reasons to deny coverage, after they contract "expensive" illnesses such as cancer or AIDS.

Even when the facts plainly prove that patients and their doctors had no reason to know of their catastrophic illnesses before the policy's onset, Assurant denies coverage or rescinds policies. Its bases for rejections are flagrantly far-fetched.

With their lives crumbling from the emotional and physical pain of life-shattering disease, consumers suddenly face financial catastrophe — threatened loss of homes and life savings — when Assurant refuses to pay medical bills.

Our legislation would prohibit and prevent companies from denying such critical health care coverage based on pre-existing conditions or rescinding policies based on accidental omissions on insurance applications. Instead, insurers would be required to prove consumers intended to deceive their companies before denying any promised benefits.

Nearly seven months ago, the attorney general's office urged the state Department of Insurance to produce an audit of Assurant's practices. Rather than produce an audit or refer cases of wrongful denial to the attorney general for legal action, the insurance department reached a settlement with Assurant.

The settlement only forces Assurant to do what it should have done long ago: pay benefits it promised. While we're pleased consumers will likely recover money, the agreement is inadequate. It does not impose any monetary sanction, nor was Assurant's license suspended pending further auditing.

We are hopeful — and have reason to believe — that the newly appointed insurance commissioner will be a partner in enforcement, and recognize that a significant number of individual health policies offer only a mirage of coverage. The unjustifiable rescissions of and denials of coverage under these policies threaten to increase the already unacceptably large number of uninsured consumers.

Tough legislation must accompany more vigorous enforcement — a paradigm shift toward patient protection. Individual health insurance policies are an important part of the Connecticut market, but only in a well-regulated, consumer-friendly environment.

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