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Health

Dodd amendment to health care bill helps consumers make informed choices about their coverage

By [unknown placeholder \$article.art_field1\$]

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Senator Chris Dodd (D-CT), a senior member of the Senate Health, Education, Labor and Pensions Committee and Chairman Edward Kennedy's chief deputy for health care reform, introduced an amendment today to the Affordable Health Care Choices Act that would make it easier for consumers to make informed choices about their health insurance coverage.

"It's hard enough to make complex decisions about health insurance without having to decipher a lot of industry jargon," said Dodd. "A key goal of our health care bill is to protect and promote consumer choice, and my amendment will help to make that choice easier for people trying to make the right decisions for their families.

"Consumers have a right to know what they're getting for their health care dollar – this amendment will give them the tools they need to compare apples to apples when they evaluate their options. And it will help to weed out the bad apples: insurance companies that engage in bait-and-switch tactics by changing or rescinding coverage after the policy has been issued, often when consumers need it most."

Dodd's amendment is designed to provide consumers with a clear explanation of benefits and require full disclosure in advance of any changes made to a policy. It would guarantee that insurance companies can't change or take away coverage once a policy has been issued. And, it would help states establish and support offices of health insurance consumer assistance, which would serve as a resource for consumers who have difficulties with their health insurance.

Connecticut already has such an office – the Office of the Healthcare Advocate, headed by Kevin Lembo. Between 2002 and 2008, that office processed more than 9,000 consumer complaints and helped recover over \$14 million in denied claims. With this amendment, this type of consumer assistance could be available to all Americans.

Summary of the Dodd Amendment:

Benefit Explanations

This amendment requires insurance companies to explain to consumers – accurately and in plain English – the terms and benefits of the policies they offer. Specifically,

- Each benefit summary must adhere to a uniform format to facilitate comparison-shopping by consumers.
- The language must be easy for consumers to understand. The benefit summary must clearly define any insurance terms (such as premium, deductible, co-payment, etc.) and medical terms (such as hospitalization, physician services, prescription drug coverage, etc).

Health insurance companies will have one year to provide this information to consumers, or be subject to a fine. The

standards developed under this amendment will preempt any weaker state standards.

Disclosure of Information

Under the Dodd amendment, health insurance companies must clearly disclose provisions of coverage concerning the issuer's right to change premiums, co-payments, or other information as determined by the Secretary of HHS. In addition, they must disclose the benefits and premiums available under all health insurance coverage for which an individual or employer is qualified.

This information must be disclosed to individuals or employers as part of the health insurance companies' marketing materials. When a change occurs in the policy, the health insurance company must notify individuals and employers and provide a clear explanation of the change. All of this information must be made available upon the request of an employer or individual.

Prohibition on Rescissions

The amendment bans outright any attempt by an insurance company to change or eliminate coverage once a policy has been issued, except in cases of fraud.

Health Insurance Consumer Assistance Grants

Grants will be awarded to states to enable them to establish, expand, or support offices of health insurance consumer assistance, so that consumers always have someone on their side when they have a question or concern about their insurance. Offices of health insurance consumer assistance will receive and respond to inquiries and complaints in a timely fashion. Specifically, the state-designated office of health insurance consumer assistance will—

- Assist with the filing of complaints and appeals;
- Track consumer complaints;
- Educate consumers on their rights and responsibilities with respect to health plans, and;
- Assist consumers with enrollment in a qualified health plan.

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