

Affordable Care Act: Working with States to Protect Consumers

The Affordable Care Act establishes common-sense consumer protections and creates a more transparent marketplace. Fair rules and transparency help create a more level playing field between consumers and insurers. The law also empowers States by putting them in the driver's seat in implementing many of these new consumer protections.

On July 23, 2010, the Departments of Health and Human Services, Labor, and the Treasury published an interim final rule regarding standards for internal claims and appeals and external review processes for group health insurance plans and health insurance issuers offering coverage in the group and individual markets. This rule works to give people in most plans better information about what their rights are and why their claims were denied or coverage rescinded or taken away. Under the rule, consumers have the:

- **Right to information about why a claim or coverage has been denied.** Health plans and insurance companies have to tell you why they've decided to deny a claim or chosen to end your coverage – and how you can appeal that decision.
- **Right to appeal to the insurance company.** If you've had a claim denied or had your coverage rescinded, you have the right to an internal appeals process, a process in which you ask your insurance company to conduct a full and fair review of its decision. If the case is urgent, your insurance company must speed up this process.
- **Right to an independent review.** Often, insurers and their policyholders can resolve disputes during the internal appeals process with their insurer. If you can't work it out through the internal appeals process, you now have the right to take your appeal to an independent third-party for review of the insurer's decision. This is called "external review." This way, the insurance company no longer gets the final say regarding your benefits, and patients and doctors get a greater measure of control over health care.

These protections and standards are an important step forward in reforming the health care system to make sure it works for consumers, not just insurance companies.

State Flexibility and Transition to 2014

Through guidance and regulations issued in [July 2010](#) and [July 2011](#), the Departments have given States a number of options to implement the strong consumer protections included in the external review process.

- A State may meet the "strict standards" included in the July 2010 rules, which set forth 16 minimum consumer protections based on the Uniform Health Carrier External Review Model Act written by the National Association of Insurance Commissioners (NAIC);
- A State may operate an external review process under similar standards to those outlined in the July 2010 interim final rule. These similar standards apply until January 1, 2014. or;
- If a State has neither implemented the strict standards nor the similar standards, issuers offering non-grandfathered plans and policies in the State will choose an HHS-administered process or

contract with accredited independent review organizations to review external appeals on their behalf.

This approach maintains the unprecedented consumer protections provided in the Affordable Care Act while reflecting comments from stakeholders and giving States the flexibility they need to implement the law. This approach also permits States to operate their external review processes and avoids unnecessary disruption while States work to adopt the consumer protections set forth in the July 2010 regulations.

Preliminary Determinations of External Appeals Review Processes

The list below indicates the preliminary determination regarding the external appeals review process in each State. States will have the opportunity to request reconsideration of these determinations. Determinations are final if a State does not request a reconsideration of the preliminary determination. If a State requests reconsideration, final determinations will be made by October 1, 2011. Additionally, if a State changes its external review process in the future, the State may request a new determination at any time.

Meets Strict	Meets Similar	HHS Administered Process/Independent Review Organization Process
Arkansas	Arizona	Alabama
California	Delaware	Alaska
Colorado	Indiana	District of Columbia
Connecticut	Kansas	Florida
Hawaii	Michigan	Georgia
Idaho	Minnesota	Louisiana
Illinois	New Mexico	Massachusetts
Iowa	North Carolina	Mississippi
Kentucky	Tennessee	Missouri
Maine	Wyoming	Montana
Maryland		Nebraska
Nevada		New Hampshire
New Jersey		North Dakota
New York		Ohio
Oklahoma		Pennsylvania
Oregon		Texas
Rhode Island		West Virginia
South Carolina		Wisconsin
South Dakota		
Utah		Territories
Vermont		American Samoa
Virginia		Guam
Washington		Northern Marianas Islands

	Puerto Rico
	Virgin Islands