



Minnesota Hospital Association

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NEWS RELEASE

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Minnesota Hospital Association asks for state investigation of Blue Cross Blue Shield of Minnesota practices that get in the way of the patient and physician relationship

BCBS policies add unnecessary administrative costs to the health care system

ST. PAUL – The Minnesota Hospital Association (MHA) today asked state regulators to investigate Blue Cross Blue Shield of Minnesota (BCBS) for recent policies and practices that are harming Minnesota’s hospitals and clinics and their patients with BCBS insurance.

On behalf of its 141 hospital and health system members, MHA is asking the Minnesota attorney general and the commissioners of the Minnesota Departments of Commerce and Health to review BCBS’s refusals to pay for certain medically necessary services its enrollees receive at hospitals even though the hospital and providers are in-network. The association also asked the state officials to examine dramatic increases in services requiring prior authorization that are delaying patient care and denying payments for medically necessary services.

“Recent actions by Blue Cross are coming between physicians and their patients, delaying necessary medical care and driving up the cost of health care in Minnesota,” said Lawrence J. Massa, president and CEO of MHA. “MHA and our members sought multiple collaborative approaches to resolve these issues and correct BCBS’s actions. But the harms continue and are growing, so it is time for the state to determine if the insurer is violating longstanding consumer protection laws.”

BCBS has dramatically increased the number of services it will not cover or pay for without a prior authorization before patients can receive necessary medical treatment, according to MHA. These requirements cause physicians and patient advocates to spend countless hours navigating online forms and waiting on hold for BCBS’s subcontractors to respond to their calls. Then, it can take days or as much as two weeks for BCBS to authorize the service the patient’s doctor ordered. These delays and burdensome bureaucratic gauntlets interfere with the doctor-patient relationship and cause patients and their families to suffer and worry longer than necessary.

“BCBS has admitted that an extraordinarily high percentage of requests for prior authorizations are eventually approved. In other words, in the vast majority of situations, physicians and patients are making appropriate, evidence-based decisions to get medically necessary care,” said MHA’s [letter to state officials](#).

“This simply adds administrative costs to our health care system,” Massa said. “Both BCBS and health care providers are now spending a lot more time and money on these administrative processes and complications – money that would be much better spent on actual patient care or reducing the costs of insurance for individuals and employers.”

In addition, MHA specifically cited a new BCBS “site of service” policy implemented earlier this year in which it will no longer pay for colonoscopies performed at certain hospitals based on where the hospital is located. This change restricts Minnesotans’ access to critical services used to identify colon cancer and other diseases, while health care professionals, including the Minnesota Department of Health, have been urging people to have these screenings to prevent loss of life as well as lower the costs of treatment by diagnosing cancer earlier.

To the best of MHA’s knowledge, BCBS has not informed the people it insures about these changes, or that they cannot go to an in-network hospital and receive care from an in-network doctor for a covered service under their policy.

In its letter sent to state regulators, MHA cited the following impacts a result of BCBS’s policies:

- Restricted access to lifesaving health care procedures
- Delays in receiving needed care
- Unnecessary burdens, including having to change providers, imposed on individuals and families
- Limited health care resources being unnecessarily diverted to administrative and legal burdens rather than patient care
- Lost revenues for already struggling hospitals and clinics
- Exacerbating clinicians’ growing sense of burnout

Further, a health care provider who complies with all of BCBS’s requirements, navigates all of its hoops and eventually gets prior authorization for the service can still have its claim for payment rejected by BCBS, MHA said. Ordinarily, a provider would be able to appeal that decision and show the insurer that it made a mistake and needs to pay the bill, but in some cases BCBS is prohibiting providers from bringing those appeals and leaving them without payment they are entitled to.

“With the rapid expansion of services requiring prior authorization, the numerous continuing problems in BCBS’s and its vendors’ ability to process prior authorization requests and adjudicate claims accurately or in a timely manner, Minnesota’s hospitals and health systems are overwhelmed with the number of payment denials they are receiving from BCBS,” the MHA letter states. “This volume of unpaid bills is making it difficult if not impossible for hospitals to sort through and figure out which BCBS policies are being applied to which claims, what grounds BCBS or its vendors are alleging as the basis for the payment denials and which payment denials can or cannot be appealed under these policies. In the meantime, BCBS continues to enforce its timely filing and appeals deadlines so hospitals and health systems are either not allowed to appeal a denial at all or, in other situations, BCBS rejects the appeal because it was untimely even though BCBS’s own failures are at the root of the delays.”

MHA is requesting investigations by the state because the association and its members do not have all the information necessary to determine conclusively which, if any, laws BCBS has violated. State regulators have authority to conduct these types of investigations, gather the evidence necessary to make those determinations and ensure state laws and consumer protections are enforced.

The Minnesota Hospital Association represents Minnesota’s hospitals and health systems, which provide quality care for their patients and meet the needs of their communities.