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When a Health Insurance Provider says “No”:
A Health Insurance Claim Navigation Tool

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Abstract. The purpose of health insurance is to pay for preventative and non-preventative health care. Unfortunately, claim denials are frequent and most people do not contest these denials. Consumers lack both knowledge and self-efficacy to challenge their health insurance decision. Conflict is stressful and can occur when a health insurance claim is denied unexpectedly. Faced with uncertainty of health care cost coverage, consumers are more likely to delay or forgo healthcare and jeopardize their health. To address this challenge, increase awareness of claim appeal processes and to provide consumer guidance, Maryland Extension developed a Health Insurance Claim Navigation Tool.

INTRODUCTION

Health insurance companies deny between 14% (Jones-Sanborn, 2017) and 18% (Pollitz & Rae, 2022) of in-network claims. The Affordable Care Act requires that consumers have the right to appeal denied claims (Pollitz, 2021). However, health insurance is complex, and consumers often struggle to understand it (Adepoju et al., 2019). Patients with lower health insurance literacy avoid nonpreventive and preventive services at greater rates, despite cost exemptions for the latter (Tipirneni et al., 2018), and are more likely to suffer financial harm (Levitt, 2015).

Consumers categorized as vulnerable due to language, economic, and other social barriers have the highest risk of exposure to unresolved conflict and resulting financial loss (Teremetskyi et al., 2021). Conflict occurs when there are opposing interests, which causes stress (Susanu & Nicolae, 2019), especially when health and finances are at stake (Villagra, 2019). When there is lack of trust in health cost coverage and affordability, the likelihood is greater that care will be forgone or postponed. Reducing exposure to health insurance conflict lowers barriers to health care and results in lower stress (French & Jones, 2017).

GRAPHIC HEALTH INSURANCE CLAIM NAVIGATION INSTRUCTIONS IN PLAIN LANGUAGE

Consumers appeal just over one-tenth of 1% of denied in-network claims, and insurers uphold a majority (63%) of denials on appeal (Pollitz & Rae, 2022). Maryland Extension recognized the need to study this further and obtained institutional review board approval to survey consumers’ experiences related to health insurance dispute resolution. Although reliable data are scant regarding the rationale behind and legitimacy of claim denials, the internal (Maryland) consumer assessment revealed low consumer confidence in their ability to appeal health insurance denials.

Extension professionals have an important role in assisting consumers with deciphering the health insurance landscape (Inwood et al., 2017). Therefore, Extension educators created a plain-language graphic Health Insurance Claim Navigation Tool (Tool) to promote awareness and build confidence in health insurance claim navigation. Tool content was extracted from the Affordable Care Act (Centers for Medicare & Medicaid Services, 2018).
**PURPOSE**

The purpose of the Tool is to provide an easily followed, stepwise plan when responding to a health insurance claim denial. The Tool was created to inform consumers with visual and textual instructions and help them through the process of disputing the denial while minimizing stress and conflict. *Consumer Reports* (2015) disclosed that more than half of individuals have, at some time, needed to dispute a health care cost. Timely guidance was needed.

**IMPLEMENTATION**

The Tool is available on the University of Maryland website and for distribution through consumer education programs, to partner organizations, and through community events. The document includes three sections. The first section describes how to initiate the claims process (Figure 1). It explains the procedural differences between urgent and nonurgent care as well as claims submission before or after health services have been received.

The second section (Figure 2) describes the internal appeals process, which is the first stage following a claim denial. The final section (Figure 3) explains external reviews, the final stage.

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**Figure 1.** Initial claim process.
DISCUSSION

It can be inferred from health insurance data that consumers (a) are not aware that they can appeal health insurance claim denials, (b) do not understand the process if they are aware of it, and (c) do not know that there is an external review process. Nationally, Cooperative Extension has a synergistic relationship with community health organizations. Extension is uniquely positioned as a trusted source of knowledge and as disseminators of research-grounded information through its vast network of county, region, and state educators. The Tool is another resource for Extension. Most health insurance providers have dispute instructions on their client websites and in their Evidence of Coverage documents, but their clients are not being made aware that this guidance is available. Health policy reforms continue to place higher levels of personal responsibility on consumers to independently make informed decisions (Edward et al., 2019), but to do that, consumers need to be equipped with information. Consumers are best served when health information is easily accessible, clearly presented, and actionable (Rudd & Baur, 2020). The Tool meets all three criteria.

When an insurance claim for health care is denied, mental and physical health are sacrificed, not just finances. The Tool complements a broader health insurance literacy education program and has the potential to alleviate these impacts. Proficiency in health insurance usage is protective against adverse financial surprise. With preemptive knowledge, patients can reduce the likelihood of claim denials by knowing their causes. Health insurance claims can be denied by the insurance provider for several reasons, including services not provided under plan terms, care deemed experimental or medically unnecessary, services received outside plan network or contract dates, and provider data error. However, the prevalence of claim denial is still high.

Stress caused by the prospect of economic loss can have physiological consequences. Stress can exacerbate health conditions, increase susceptibility to disease, and extend recovery time. The high occurrence of denials and the confusion surrounding redress processes burden individuals and society at large (Johnson et al., 2021). Insured patients suffering from a medical condition are overburdened when dealing with the appeals process for a denied claim while simultaneously managing their own or a loved one’s health considerations. Extended recovery times result in lost productivity, strains on family systems, and lower quality of life.
With Extension’s national reach, it is an easy task to promote awareness that health insurance claims can be challenged and that a simple tool is available to facilitate the process. Consumers and health insurance providers have asymmetric interests and information, which can create conflict and stress. Health insurance providers are in the business of protecting client finances against loss, but their business model requires them to protect their own financial interests as well. This uncertainty over health insurance coverage and ability to pay reduces consumer confidence in accessing and navigating health care. This situation, in turn, puts health at risk when consumers refrain from seeking care due to financial worries (Department of Health & Human Services, 2008). On the other hand, consumers with higher knowledge of health care billing and insurance appeals processes are more likely to take financially protective actions and to have the confidence to manage and solve disputes (Brennan et al., 2017). Health insurance literacy is a component of health literacy, and the public is best served when consumers have the self-efficacy to seek, access, and use information on a timely basis. The Tool can give patients the confidence to challenge health insurance decisions.

**CONCLUSION**

The Health Insurance Claim Navigation Tool, along with comprehensive health consumer outreach efforts, is part of Extension’s health insurance literacy initiative. When claims for health care are denied, patients experience disruptions in the financial protection that health insurance is intended to provide. Having clear, accessible avenues for redress helps prepare and empower consumers.

Consumers rarely appeal denied claims, and when they do, insurers usually uphold their original decision. The Tool empowers consumers to know avenues for redress and how to use them. Through easy-to-read text and graphics, the Tool informs consumers that not only are they entitled to an internal appeal process; the health

![Figure 3. External claim appeal process.](image)
insurance provider is accountable to an external review board. The health insurance claim navigation tool assists consumers, health navigators, financial counselors, and educators in knowing best practices in dispute resolution, how to reduce stress, and ways to manage, resolve, and avoid health insurance conflicts.

REFERENCES


