

MEMORANDUM

To: Sen. Claire Ayer, Chair, Senate Committee on Health and Welfare
Rep. Michael Fisher, Chair, House Committee on Health Care

From: Mark Larson, Commissioner

Cc: Doug Racine, Secretary, Agency of Human Services

Date: February 11, 2013

Re: Presentation of Denied Claims; Department of Vermont Health Access

Pursuant to Act 79, Section 40c. (of the 2013 Legislative Session), please find attached the Department of Vermont Health Access (DVHA) presentation of data on claims denied by the Department. To the extent practicable, the Department based its presentation on the data required by the standardized form created by the Department of Financial Regulation for use by health insurers under 18 V.S.A. § 9414a(c).

This report includes the total number of lives covered by Vermont Medicaid and all paid and denied claims for calendar year 2013 (paid date) broken out by Medical and Pharmacy claims. Also included are the total number of appeals and prior authorizations that were requested and the number denied in calendar year 2013. Denials are those classified as administrative or those that impact the member. Administrative denials are defined as duplicate claim, invalid code, invalid place of service or beneficiary not active.

It is important to note in relation to this report that Medicaid is considered the payer of last resort and approximately 40% of Medicaid denied claims for SFY13 were due to secondary payer status. Parts III-IX of the standardized form created by the Department of Financial Regulation for use by health insurers under 18 V.S.A. § 9414a(c) are not applicable the DVHA.