

Racial/Ethnicity Disparities in the Internal Appeals Process



Minnesota Department of **Human Services**

DTRs and Internal Appeals

Definitions of DTRs and appeals

- DTR: Denial, termination, or reduction of service (or payment)
 - Can come before or after use of a service
- Internal Appeal: member requests health plan review of DTR
 - Different from state fair hearing, where human services judge reviews DTR

The Appeals Process



DTRs



Denial

- Largely automated, computer-generated process
- In 2013, 800,000 denials on record

Internal appeals

Internal
Appeal

- Reviewed by the insurer
- Little patient involvement
- In 2013, 4,200 appeals
(0.5% of denials)

**Are there racial/ethnic
differences in internal
appeal rates?**

Defining race and ethnicity

- Basic race/ethnicity categories:
 - Hispanic (considered before other races)
 - Asian – Pacific Islander
 - Black
 - Native American
 - Other (combo of multiracial and unknown)
 - White

New race definitions

- Use a person's reported language to add:
 - Russian (previously White)
 - Somali (previously Black)
 - Hmong (previously Asian-Pacific Islander)

Context of question

- Health overturn denials approximately 50% of the time after internal appeals
- Appeal outcome dependent on service
- Disparities in internal appeal rates lead to disparities in access to service

Appeal Outcomes by Service

Service Category	% of Appeals where DTR Overturned
Surgical Services	49%
Pharmacy, Non-formulary	72%
PCA Services	18%
Pharmacy, Formulary	84%

Results

- After adjusting for health plan, managed care program, type of DTR, special types of services, and prior experience, minorities are significantly less likely to file an internal appeal.

Appeal rates relative to White

Race/Ethnicity	% Difference in Odds of Internally Appealing
Asian – PI	-35%
Black	-20%
Hispanic	-37%
Hmong	-37%
Native American	-21%
Russian	-46%
Somali	-19%
Other	-22%

Knowledge leads to appeals

- People who know the system file internal appeals more often
 - People who have appealed before are more likely to appeal again
 - Effect of experience does not differ by race

Recommendations

- The first internal appeal is the most important
- Targeted community outreach; change perception of “complicated appeals process”
- Emphasize potential for success with the appeals system