

Congressional Report: Denial of Health Insurance Coverage at All Time High from 2007-2009

By: Callahan & Blaine

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[A recently released report from the House Energy and Commerce Committee](#), led by California Representative Henry Waxman, found that denial of individual health insurance policies increased almost 50% between 2007 and 2009, and that companies are [denying more claims](#) based on pre-existing conditions.

Four of the largest insurance companies, WellPoint Inc., Aetna Inc., Humana Inc., and UnitedHealth Group Inc. rejected 651,000 applicants between 2007 and 2009 due to pre-existing conditions, meaning nearly one in seven applicants was denied coverage. According to the report, common pre-existing conditions that led to rejection include pregnancy, diabetes, heart disease, or a body mass index above 39. Furthermore, policies were denied without any kind of review process. At least one of the companies was found to habitually deny insurance to women who have undergone fertility treatments within the past five years.

The study also found that the same four companies refused to pay 212,800 insurance claims due to pre-existing conditions. In the case of one company, nearly 15% of the customers with individual policies had policies that included riders that limited coverage or increased deductibles for certain medical conditions.

The companies consciously included the policies as part of their business plans, and used denial of coverage and benefits as part of their “strategic growth.” Other internal documents obtained by Congress found that insurance companies were considering increasing the “look back” period for pre-existing conditions, denying prescription drug coverage for pre-existing conditions, and narrowing the definition of “prior creditable insurance coverage” to further improve profits.

The Affordable Care Act, which became law in March 2010 bans the practice of denying coverage based on pre-existing conditions. This became effective for children in September 2010, but will not be in effect for adults until January 1, 2014.

In 2008, approximately 15.7 million adults under the age of 65 received their health insurance through individual policies rather than employer-sponsored group health plans.

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