

Public Employees Benefits Board annual report

Customer service complaints and appeals

Substitute Senate Bill 6584; Chapter 293; Laws of 2010

RCW 41.05.630

September 30, 2023

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Executive summary

RCW 41.05.630 requires the Health Care Authority (HCA) to process an enrollee's dissatisfaction (or complaint) regarding health plan customer service, quality, or availability of a health service based on reports by the health plans. Starting in 2020, the Employees and Retirees Benefits (ERB) Division of HCA presented data on complaints and appeals based on a calendar year rather than a fiscal year.

This 2023 report is the third to show PEBB and SEBB complaints and appeals data. The findings reflect the effect of the COVID-19 pandemic on staff recruitment and training, provider retention, and the uncertainty of how and when to access healthcare services.

Some complaints and concerns around the availability of a health care service may have been categorized under the quality of health care services, depending upon how plans reported their data. An adjustment made in data analysis processes resulted in conclusions about trends in the rates of quality of health care services in the PEBB Medicare population.

Report highlights

PEBB Medicare population:

- Complaints increased by 4.8 percent compared to the prior year. This is a significantly smaller rate of increase than from the 2021 to 2022 plan years. As reported last year, concerns about the quality of health care services outnumbered complaints about customer service and availability of care.
- Overall complaints are close to eight times higher for Medicare members compared to the non-Medicare population (i.e., Non-Medicare retirees and employees), with 26.0 complaints per 1,000 members for Medicare and 3.4 complaints per 1,000 members for non-Medicare.
- The increase in complaints may be related to the ever-changing circumstances of health care during the COVID-19 pandemic. Staff shortages have exacerbated the pandemic's impact on access to care and raised consumer expectations about their health care.
- Based on revisions in data analysis used for this reporting cycle, a trend has emerged in the volume of complaints associated with the quality of a health care service over time. Last year's report noted no change in the rate of complaints over three years. Re-analysis of complaints data using updated analysis processes indicates that complaints rose 158 percent in 2020 and 66.5 percent in 2021. The rate of increase slowed significantly to 3.5 percent for 2022 compared to 2021.
- Overall, the rate of appeals per 1,000 members was 1.8 times higher for Medicare compared to the non-Medicare population.
- Appeals increased slightly between 2021 and 2022 by 0.5 percent. This is much slower than the 34 percent increase between 2020 and 2021.
- Appeals were most significant in the customer service category, with approximately 81 percent of the total appeals related to customer service.

PEBB non-Medicare population:

- Complaints overall were up by approximately 17 percent from 2021.
- As in 2021, complaints were mainly related to customer service and quality of a health care service, with the availability of a health care service coming in at less than half those two categories.

- The data is not granular enough to identify the exact cause of complaints. Still, issues associated with health carrier staff training and provider retention during the pandemic may be the drivers.
- Based on refined methods used in data analysis, a new trend toward declining rates for appeals is apparent. Appeals declined by almost 11 percent in 2022.
- For the second consecutive year, there were no appeals about the quality of health care services.

SEBB population:

- The number of complaints and appeals within the SEBB population is proportionate to those of the non-Medicare PEBB population.
- Complaints rose 21.5 percent from 2021 to 2022, with the Quality of a Health Care Service as the chief complaint category.
- As with the PEBB population, the increase in complaints seems to stem from the changing landscape of health care in the COVID-19 era. The changes stem from health carrier staffing shortages, the pandemic's impact on access to care, and consumer attitudes toward their health care.
- Total complaints were 3.0 per thousand, up from 2.5 per 1,000 members in 2021.
- Total number of appeals increased by roughly 3 percent in 2022. This value is much smaller than the 12 percent increase in 2021. While health carrier customer service issues were still the leading driver of appeals, the relative proportion of these concerns declined in 2022, while the proportion of appeals based on availability of services increased from 1.4 in 2021 to 1.7 per 1,000 members in 2022.
- Overall appeals were 3.7 per 1,000 members, the same as reported for 2021.

Background

Categories of complaints and appeals

This report includes statistics from two PEBB Program risk pools (non-Medicare and Medicare) and the single SEBB Program risk pool. Insurers form risk pools to spread risk evenly across an insured population. Two risk pools have been used in the PEBB Program for most of the program's history (since the mid-1990s). The PEBB Non-Medicare risk pool includes non-Medicare retirees, employees of PEBB employers (state agencies, higher educational institutions, political subdivisions, etc.), and their dependents; the PEBB Medicare risk pool includes Medicare retirees whose former employers were state agencies, higher educational institutions, political subdivisions, and K-12 school districts. The SEBB Program's risk pool includes only current school employers and their dependents; it does not include retirees because K-12 retirees (both Medicare and non-Medicare) have been included in the PEBB Program's risk pools since the early 1990s).

Each health carrier provided the number of complaints and appeals related to these three categories, as required by legislation:

- Availability of a health care service
- Health carrier customer service
- Quality of a health care service

Three issues limit data for this report:

1. This report includes only those complaints and appeals that fit into one of the three categories. Complaints and appeals that do not match are not included in the medical carriers' data.
2. Each carrier decides where to place their complaints and appeals in these three categories. This results in some variation in how complaints are sorted.
3. Fully insured plans, like Kaiser Permanente health maintenance organization (HMO) health plans, tend to have higher complaints and appeals because they function as both the insurer and the provider. When members complain about scheduling appointments or a provider, those complaints are counted in the carrier's overall numbers. By contrast, Uniform Medical Plan (UMP) and the fully insured Premera preferred provider organization (PPO) plans, as insurers only, are more likely to receive complaints about health care services and less likely to receive complaints about appointment scheduling or providers.
4. Medicare complaints and appeals data and analysis include only UMP, Kaiser Permanente of Washington, and Kaiser Permanente of the Northwest plan offerings; data is not available for Medicare enrollees of Medigap plans offered by Premera Blue Cross and Medicare Advantage-Prescription Drug plans offered by UnitedHealthcare.

Populations

The total PEBB population enrolled in plans evaluated for this report for the 2022 plan year was 357,953 members. Of those, 277,703 members are in the non-Medicare risk pool. In PEBB, 80,250 members make up the Medicare population enrolled in UMP and Kaiser Permanente plans.

The total SEBB population for 2022 was 268,164 members. Since the SEBB Program does not include retirees, all are school employee members.

Findings

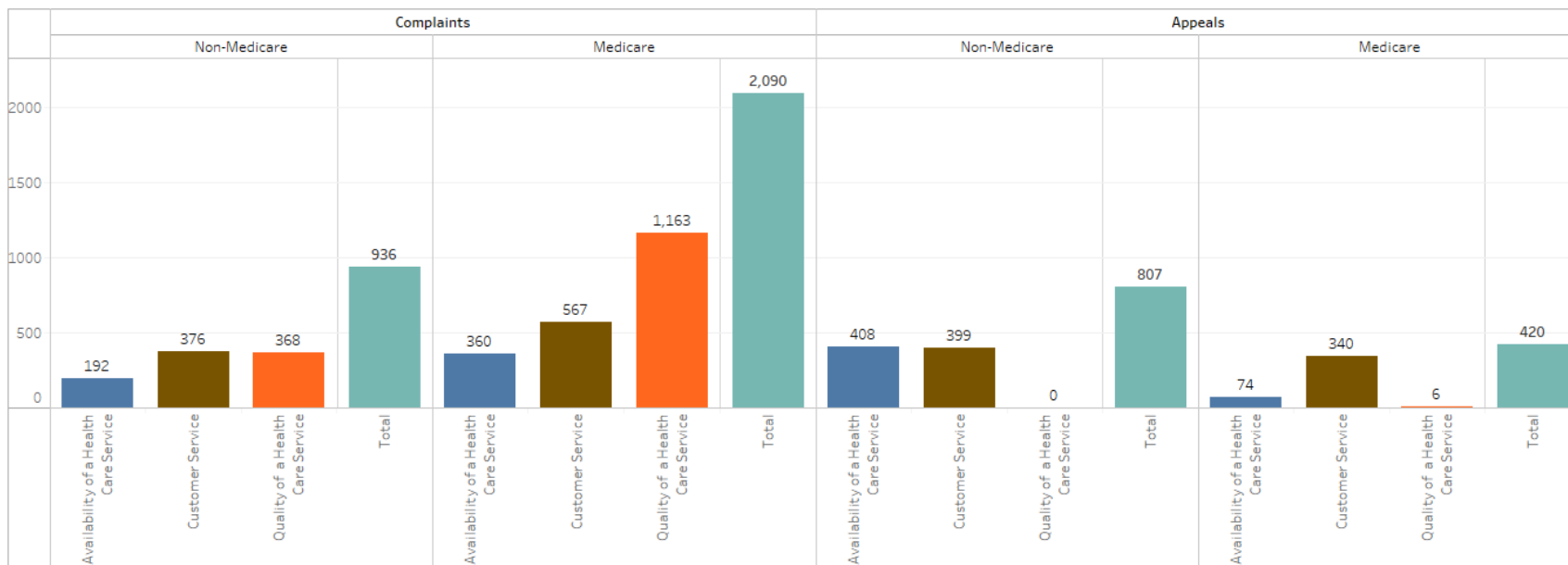
The following section contains illustrations of the numerical data about complaints and appeals in all categories that PEBB and SEBB health plan carriers collected.

List of tables:

- [Table 1: Total number of PEBB complaints and appeals by category \(CY2022\)](#)
- [Table 1A: Total number of SEBB complaints and appeals by category \(CY2022\)](#)
- [Table 2: Total of all PEBB complaints and appeals by quarter \(CY2022\)](#)
- [Table 2A: Total of all SEBB complaints and appeals by quarter \(CY2022\)](#)
- [Table 3: Complaints and appeals by category per 1,000 PEBB members \(CY2022\)](#)
- [Table 3A: Complaints and appeals by category per 1,000 SEBB members \(CY2022\)](#)

Table 1: Total number of PEBB complaints and appeals by category (Calendar Year 2022)

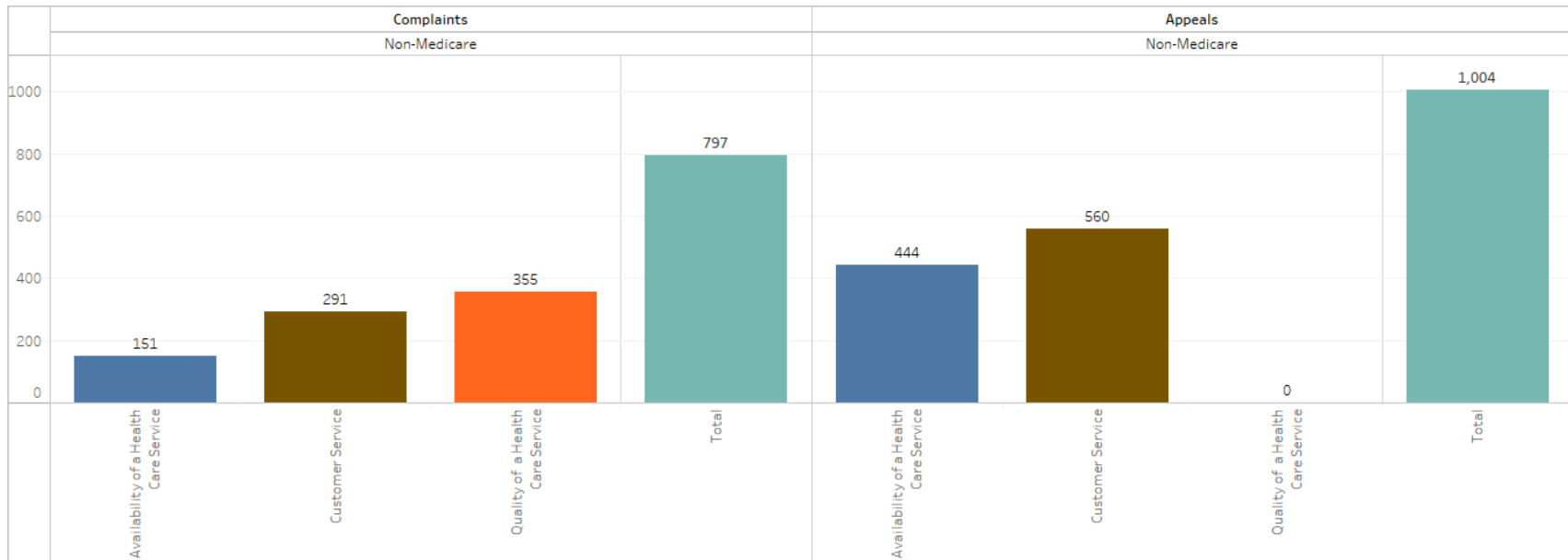
Total Number of Complaints & Appeals
Calendar Year 2022



	Complaints		Appeals	
	Non-Medicare	Medicare	Non-Medicare	Medicare
Availability of a Health Care Service	192	360	408	74
Customer Service	376	567	399	340
Quality of a Health Care Service	368	1,163	0	6
Grand Total	936	2,090	807	420

Table 1A: Total number of SEBB complaints and appeals by category (Calendar Year 2022)

Total Number of Complaints & Appeals
Calendar Year 2022



	Complaints		Appeals	
	Availability of a Health Care Service	Customer Service	Availability of a Health Care Service	Customer Service
Availability of a Health Care Service	151		444	
Customer Service	291		560	
Quality of a Health Care Service	355		0	
Grand Total	797		1,004	

Table 2: Total of all PEBB complaints and appeals by quarter (Calendar Year 2022)

Complaints and Appeals by Quarter
CY 2022

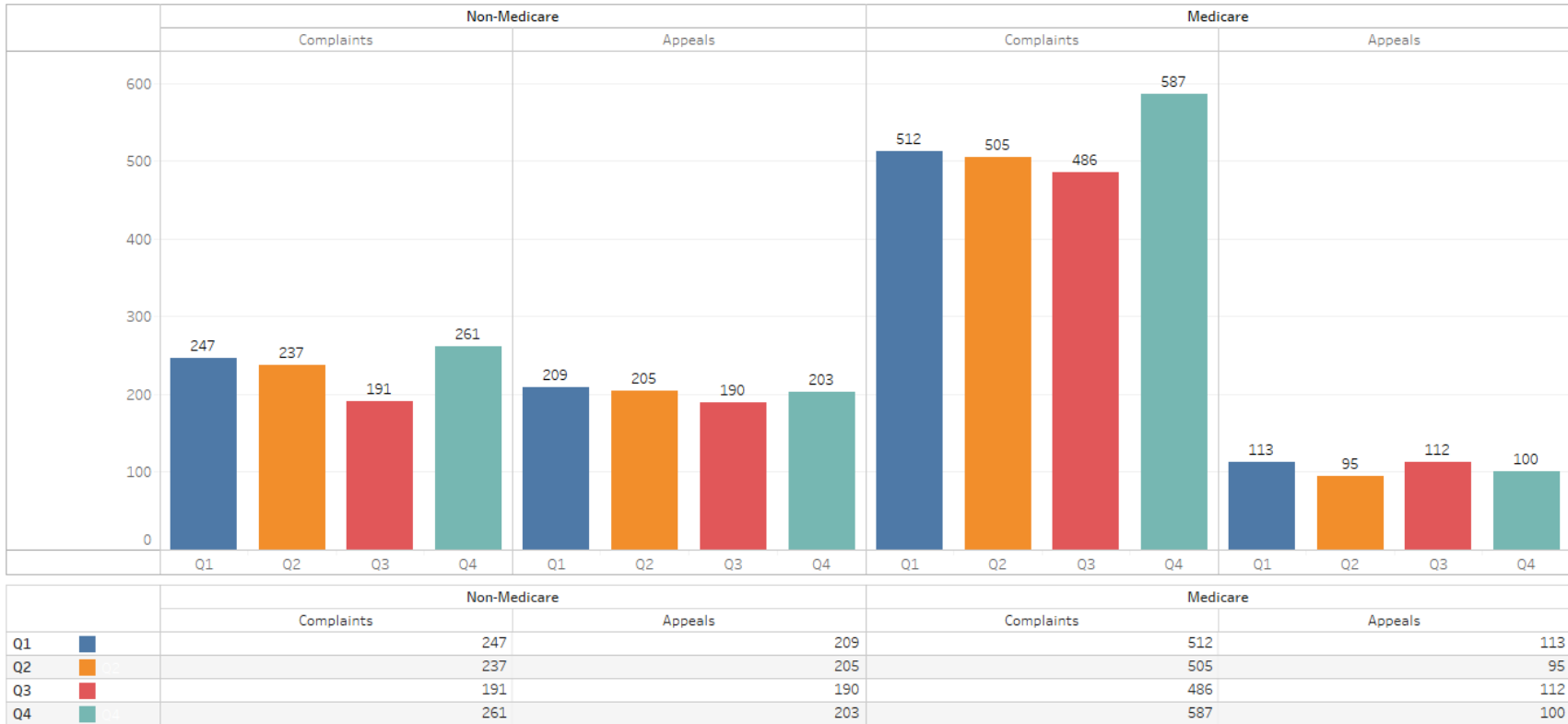


Table 2A: Total of all SEBB complaints and appeals by quarter (Calendar Year 2022)

Complaints and Appeals by Quarter
CY 2022

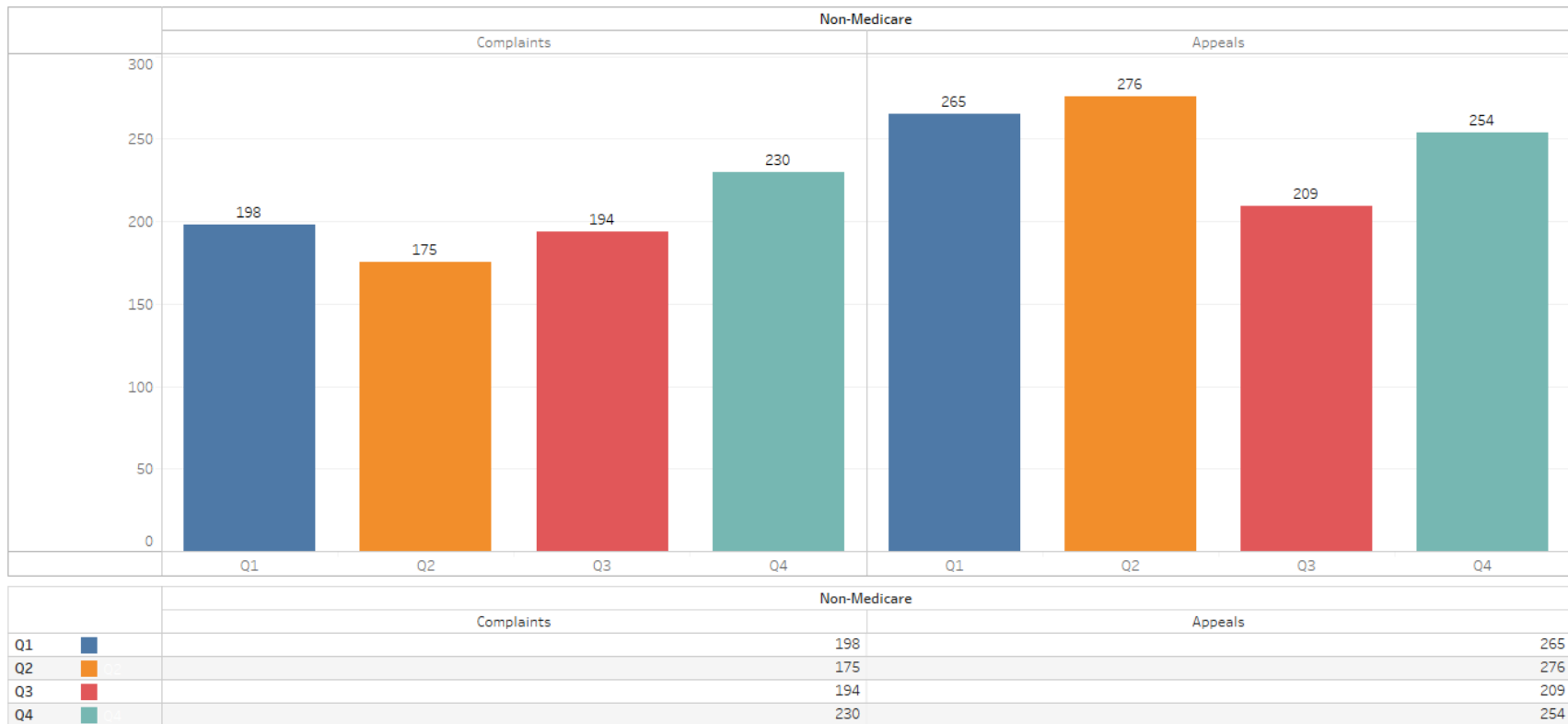
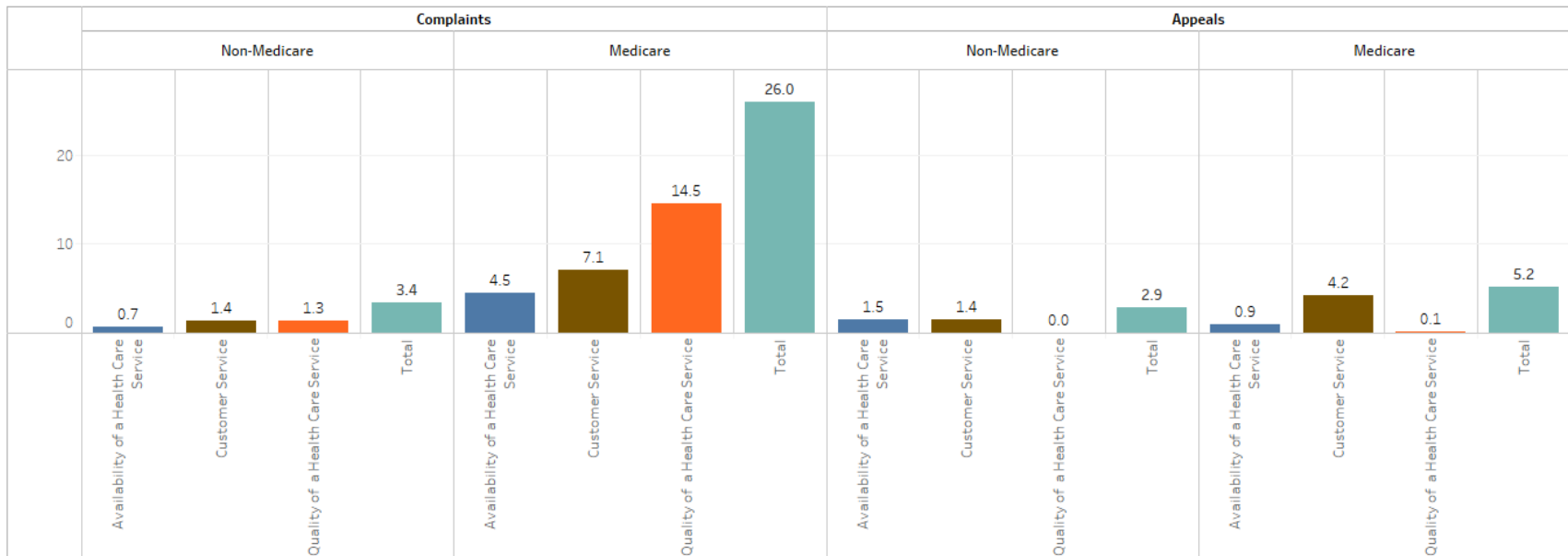


Table 3 - Complaints and appeals by category per 1,000 PEBB members (Calendar Year 2022)

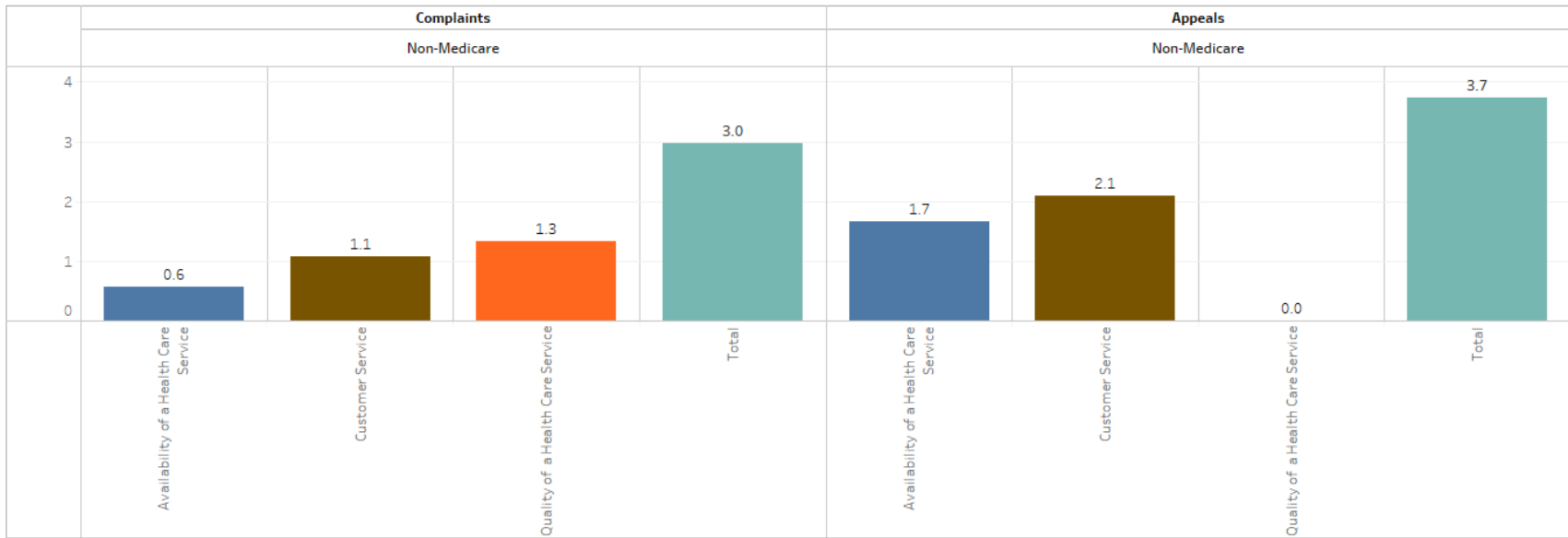
Complaints & Appeals
 Calendar Year 2022
 (Per 1000 Members)



	Complaints				Appeals			
	Non-Medicare		Medicare		Non-Medicare		Medicare	
Availability of a Health Care Service	0.7		4.5		1.5		0.9	
Customer Service	1.4		7.1		1.4		4.2	
Quality of a Health Care Service	1.3		14.5		0.0		0.1	
Grand Total	3.4		26.0		2.9		5.2	

Table 3A: Complaints and appeals by category per 1,000 SEBB members (Calendar Year 2022)

Complaints & Appeals
 Calendar Year 2022
 (Per 1000 Members)



	Complaints		Appeals	
	Non-Medicare		Non-Medicare	
Availability of a Health Care Service	0.6		1.7	
Customer Service	1.1		2.1	
Quality of a Health Care Service	1.3		0.0	
Grand Total	3.0		3.7	

Key findings explained

Medicare population for 2022

For 2022, the number of complaints in the PEBB Medicare population was more than twice that of the PEBB non-Medicare population, despite the Medicare population being only 37 percent the size of non-Medicare. The total PEBB population for 2022, combining both Medicare and Non-Medicare members and including Medicare members enrolled in plans for which there are no appeals and complaint data, was 383,733 members.

	Medicare members	Non-Medicare members
Total Population	105,139	280,594
Total Complaints (3026)	71 percent (2090 complaints)	29 percent (936 complaints)

The number of complaints for Medicare also increased from 2021 to 2022 from 1,998 to 2090, a 5 percent increase. This is a much smaller increase than the 35 percent increase in 2021. This is likely related to the continued disruption of health care services caused by the COVID-19 pandemic. Many members needed help navigating the new landscape of virtual visits. They delayed non-emergent procedures that occurred as services were suspended temporarily, in addition to provider staffing shortages and new cleaning protocols for treatment areas that slowed or hindered the delivery of health care services. Many members also continued to need clarification about how, when, and where to access health care services, which can affect their perception of the quality of health care services. With the easing of the pandemic, these impacts are decreasing in severity but still pose significant challenges to health care delivery systems.

In 2021, there was a shift in the focus of complaints from the availability of services to the quality of health care services. This focus continued in 2022. The percentage of complaints due to the quality of health care remained unchanged at 56.3 percent. Since the category is undefined, we need clear insight into what aspects of quality members are concerned about or how the health plans decide which complaints to place under that category.

Further, the continued vulnerability of the Medicare population to infection with COVID-19—especially those with co-morbidities—engendered a lot of fear and concerns. This fear and the extensive change and disruption may have accounted for the increase and shift in focus of complaints about the quality of health care services.

In the COVID-19-driven world of health care:

- Visits don't go as expected or as they once did.
- New staff and providers may not know the member or the member's medical history.
- Increased wait times or staying in one's vehicle until called, instead of a waiting room, may feel like lower quality care to members.

ERB and its health plan carriers have worked to prioritize lowering or removing barriers to access to care where possible. Work continued in 2022 to ensure that our Medicare populations received quality care and to educate our members that changes and restrictions caused by the pandemic do not lower the quality of care they receive. Post-pandemic changes in health care delivery systems should be monitored for their possible impact on this complaint category.

Appeals in this population were stable at 420 total for 2022 compared to 418 in 2021. Last year's report showed an increase of approximately 34 percent from 2020 to 2021. While the number of appeals is still more significant than in 2020, the data still show a relatively low number overall. Again, this year, the total number of appeals (420) is only 21 percent of the total number of complaints (2,090). As in 2021, the majority were related to health carrier customer service issues and not the availability of a health care service, so this is an improvement over the 2021 report. Our plans have responded to our requests about making health care services more available to our members.

Approximately 81 percent of total appeals relate to health carrier customer service. The driver behind this is likely the high employee turnover caused by the COVID-19 pandemic and health care staffing shortages¹. High staff turnover may lead to less experienced customer service staff and more mistakes or misunderstandings in information shared at the customer service level. Appeals may reflect members seeking relief from misquotes or misstatements of allowed services caused by inexperienced staff. Appeals can also result from members misunderstanding their plans. ERB will continue working with our plans to encourage improved education for health carrier customer service staff and more communication with members to educate them about their plan coverage.

PEBB non-Medicare population for 2022

In the non-Medicare population, complaints were higher across all three categories. This contrasts with the slight decrease reported for 2021. Overall complaints increased 17 percent from 800 in 2021 to 936 in 2022. Complaints about the availability of health care services increased by 15 percent (167 in 2021 to 192 in 2022). Health carrier customer service complaints increased 25 percent (300 in 2021 to 376 in 2022). Complaints about the quality of health care services increased the least, 10.5 percent (333 in 2021 to 368 in 2022).

Increased access to health care services and improved health carrier customer service after the temporary suspension of many health care services in 2020 may be responsible for decreased complaints reported in 2021. Complaint levels for 2022 are like those reported for availability of services and customer service categories in 2020, and 21.5 percent higher than reported for quality of health care services in 2020 (303 in 2020 and 368 in 2022). Complaints about the quality of health care services are still significantly lower in the non-Medicare population (1.3 per 1,000 members) compared to the Medicare population (14.5 per 1,000 members).

The same fears around the COVID-19 pandemic and the disruption of health care cited above when discussing the Medicare population may affect this non-Medicare population. This and the need for granularity in the data make it challenging to assume too much about the quality of health care services offered. Education about how disruptions affect staffing and services may be the most efficient means for correcting the perceived quality problem.

As was the case in 2021, there were fewer total appeals in 2022 compared to the preceding year. Appeals decreased approximately 11 percent, from 905 in 2021 to 807 in 2022. The availability of services and health care customer service experiences drove appeals. For the second year, there were no appeals regarding the quality of health care services. This may indicate that some members did attempt to follow the complaint process first and did not move directly to an appeal. It could suggest that complaint processes resolve member concerns, avoiding the need for an appeal. Additional data on resolution rates for different types of complaints may assist with understanding this apparent disconnect between trends for complaints and appeals.

While health carrier customer service appeals surged in 2021, the trend reversed in 2022. Total customer service appeals declined 8.5 percent (436 in 2021 to 399 in 2022). This is still significantly higher than the ten appeals for health carrier customer service in 2020. This indicates there may be internal issues within the health plans that continue causing disruptions to their customer service. This may be linked to the need for more well-trained and experienced staff cited above. Without adequate staff or training, members may be unable to address needs or resolve complaints at the first point of contact, triggering increased appeals. ERB will continue to partner with our carriers to ensure that plan customer service representatives and other staff are given more robust training. This is so they can better explain the health plans to our members, resolve complaints at the first point of contact, and avoid the customer service disruptions causing these appeals. We have also recommended that the carriers focus on provider training and retention.

SEBB population for 2022

The total SEBB population for 2022 was 268,518 members. The SEBB population does not include retirees, nor does it include any Medicare beneficiaries. The findings from the SEBB population are most comparable to the PEBB non-Medicare population. However, since SEBB plans first became available in January 2020, there needs to be more SEBB data for direct comparison on a long-term basis.

The total number of SEBB complaints was 797. Of the complaints, slightly less than 19 percent were related to the availability of a health care service. Health carrier customer service complaints increased from 26 percent in 2021 to 36.5 percent in 2022. Quality of a health care service accounted for the remaining 44.5 percent of complaints in 2022, down from 54 percent in 2021. The same fears around the COVID-19 pandemic and the disruption of health care cited above when discussing the PEBB population may affect this SEBB population. This, along with ERB's concerns about disruptions in health carrier customer service representative staffing levels and education, are the same as those expressed for the PEBB population.

There were about a third more SEBB appeals than complaints. As with the PEBB population, some of this disparity may come from members who bypassed complaints and filed an appeal as their initial step toward resolving an issue. These numbers may be reduced by continued education of members on the complaint process. However, appeals rose by three percent between 2022 and 2021, so we must also address the increase in appeals.

As of 2021, most appeals (56 percent) were related to health carrier customer service. The rest of the appeals were related to the availability of a health care service. There were no appeals associated with the quality of a health care service. The lack of granularity in the data and the broad definition of customer service make it challenging to drill down to the portion of customer service members who faced problems. Still, it indicates to ERB that there are internal issues at the health plans that are causing disruptions to their customer service. Again, we postulate that the driver behind these appeals is likely the high employee turnover generated by the COVID-19 pandemic and the current worker shortage. As suggested for responding to the PEBB non-Medicare population, ERB will continue to partner with our carriers to ensure that their customer service representatives and other staff are given more robust training to avoid disruptions that may be causing these appeals. We will also recommend that the carriers focus on provider training and retention.

2022 plan year

Table 2 shows the timing of all complaints and appeals during each quarter of the 2022 plan year for PEBB. Table 2A shows the quarterly report for the SEBB population. Unlike 2020, the timing of complaints appears to be steady across all four quarters of the year in both programs. Indeed, no quarter stands out as particularly low or high compared to other quarters. Appeals are also steady across the quarters.

In comparison, eligibility appeals (which are handled by ERB) usually peak in late February and early March as members realize that they have an enrollment issue. In past years, those cases have typically dropped off sharply after the end of Quarter 2, often by as much as 70 percent. However, no such drop-off is seen in the 2022 data.

2022 complaints and appeals per 1,000 members

PEBB population

Table 3 shows the PEBB complaints and appeals rate per 1,000 members of each population in total and per category.

For the Medicare population, the total rate of complaints was significantly higher at 26.0 per 1,000 members compared to 17.9 in 2021. In addition to other factors discussed above, the number of complaints may be related, in part, to the methods some carriers used to sort member complaints into categories, which can result in a complaint being counted more than once.

In 2019, appeals were rare at less than one per 1,000 members of the Medicare population. For 2020, the number of appeals was 2.9 per 1,000 members, and in 2021, 3.7 per 1,000 members. For our latest report, the number has increased to 5.2 per 1,000 members. This volatility is expected, given the effects of the pandemic on health care in general. Still, ERB will be tracking these numbers closely moving forward to ensure that post-pandemic changes in health care reverse this upward trend.

For the non-Medicare population, complaints increased slightly from 2.9 per 1,000 members in 2021 to 3.4 complaints per 1,000 members in 2022. Appeals, however, were down slightly, from 3.3 per 1,000 in 2021 to 2.9 in 2022.

SEBB population

Table 3A shows the SEBB complaints and appeals rate per 1,000 members in the same format. Total complaints for the SEBB population were 3.0 per 1,000 members, up from 2.5 per 1,000 in 2021. Appeals were 3.7 per 1,000 members, identical to the rate reported in 2021. These numbers are consistent with the numbers of the non-Medicare PEBB population, which may imply that the numbers of complaints and appeals are relatively stable year over year. As with the PEBB numbers, there is the possibility that member complaints were recorded in multiple categories.

Conclusion

The increase in complaints compared to 2021 is likely related to the ever-changing circumstances of health care during the COVID-19 pandemic, the effect of staff shortages throughout the health care industry, and the pandemic's impact on access to care and consumer expectations.

It remains difficult to access health care services due to hospitals and practices losing providers and experiencing gaps in administrative staff. Additionally, the PEBB and SEBB populations need clarification about the complaint process. We will continue to work with the health plans to improve communications around the complaint process.

Unlike past years, complaints and appeals were distributed relatively equally across all four quarters of the year for all populations. Instead of the usual steady increase in complaints throughout the plan year, with appeals remaining relatively stable, we see that all populations register complaints and request appeals during all quarters. No clear trends appear, but this new reality needs to be tracked for future adjustments to health plan strategies for dealing with complaints and appeals.

The number of complaints and appeals within the SEBB population is proportionate to those of the PEBB population and is likely to continue. However, both complaints and appeals are rising in our PEBB Medicare population. This is concerning, but the data we collect needs to be more transparent, so other methods of gaining information may need to be implemented.

Finally, the numbers related to the quality of health care services should be considered in light of the volatility of the health care environment, the current workplace economy, and the lack of granularity in the data. Having no specifics on how quality is defined, it is hard to determine whether the quality of services is genuinely declining or whether disruptions are causing a lack of confidence in health care services.

As we come to understand the new normal of a post-COVID-19 world, we must work to analyze the effects it will have on our members and their relationships with our health plans.