Denied

When insurance companies deny the mentally ill the treatment their doctors prescribe, seriously ill people are often discharged, and can be a danger to themselves or others

2014 Dec 14 CORRESPONDENT Scott Pelley FACEBOOK TWITTER 970 STUMBLE MORE COMMENTS 59

Editor's Note: A statement from Dr. Samuel Nussbaum, chief medical officer, Anthem, Inc.

> "Mental illness impacts millions of Americans, and is a serious medical issue that demands the attention of the entire country. Throughout the care of these individuals, our behavioral health professionals explored and provided the patients and families numerous care options that went beyond their covered benefits. In our experience, successful outcomes require a partnership between patients, families, medical professionals and health plans. As a company, we are dedicated to working together to help those whose lives are affected."

The following is a script from "Denied" which aired on Dec. 14, 2014. Scott Pelley is the correspondent. Michael Rey and Oriana Zill-de Granados, producers.

Two years ago tonight, we were reeling from the shock of the murders of 20 first graders and six educators at Sandy Hook Elementary School. Since then, we've learned that the killer suffered profound mental illness. His parents sought treatment but, at least once, their health insurance provider denied payment.

Because of recurring tragedies and an epidemic of suicides, we've been investigating the battles that parents fight for psychiatric care. We found that

the vast majority of claims are routine but the insurance industry aggressively reviews the cost of chronic cases. Long-term care is often denied by insurance company doctors who never see the patient. As a result, some seriously ill patients are discharged from hospitals over the objections of psychiatrists who warn that someone may die.

Katherine West

In the pictures, there's no sign of the torment of Katherine West. But by the age of 14 she was wasting away, purging her food. Nancy West, Katherine's mother, was told by her doctors that the bulimia was rooted in major depression.

Nancy West: In fact, prior to the eating disorder, she was cutting so there were self-harming behaviors from, I would probably say, at least 12 on.

To stop purging she had to be watched around the clock. Her doctors prescribed treatment that could cost more than $50,000 at a hospital, for 12 weeks.

Scott Pelley: The insurance company stopped paying after six weeks?

Nancy West: Six weeks pretty much was it for them. They were done. And if you know about a mental illness, you don't cure a mental illness in six weeks.

The health insurance company was Anthem, second largest in the nation. An Anthem reviewer found Katherine should leave the hospital because she had put on enough weight. Her doctor warned that she was desperate to shed those pounds.

Nancy West **CBS NEWS**

Nancy West: They were telling the insurance company, "She needs to stay here. She needs more long-term treatment. She isn't ready for this."

The insurance company overruled the doctor. Katherine West came home as an outpatient.

Nancy West: I was texting her, no response. I got home at 12:30 that day and I found my daughter in bed. She'd been gone for hours. And I just remember running through the house screaming. I couldn't believe it. My beautiful girl was gone. She was gone.

Katherine was dead at the age of 15. As her doctors predicted, she'd been purging again, which led to heart failure.

Scott Pelley: Did it make sense to you that a doctor at the insurance company was making these decisions based on telephone conversations?

Nancy West: No. No, they didn't observe my daughter. You're talking about a psychiatrist, a pediatrician, a therapist who observed my daughter on a daily basis. But some nameless, faceless doctor is making this decision. And I was furious. Because basically to me he was playing God with my daughter's life.

The kind of review that resulted in the discharge of Katherine West works like this; after a patient is admitted, an insurance company representative starts calling the doctor every day, or every few days. If that representative decides that the patient is ready for a lower level of care, then the case is referred to an insurance company physician who reads the file, calls the doctor and renders a judgment. We have found in these chronic, expensive cases that judgment is most often a denial. How often the results are tragic, no one can say. But we have found examples.

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In 2012, Jacob Moreno's further hospitalization was denied even after a doctor warned, "the patient states that he wanted to kill other people, many people." The next day, Moreno was naked in the street, swinging at strangers and attacking a police officer. They used a Taser to take him down. The state ordered him back to the mental hospital. Richard Traiman's hospital stay was also cut short. As he was being discharged, he said he would throw himself off a bridge. He didn't. He hung himself the next day.

Harold Koplewicz: They're called managed care, but it's really managed cost.

Dr. Harold Koplewicz knows insurance review calls well, he's a leading psychiatrist and founder of a research organization, the Child Mind Institute.

Harold Koplewicz: When I was running an inpatient unit, I would have to literally speak to a clerk on the phone to say, "I need approval for this patient to stay here another five days." And they would say to me, "Well, is the patient acutely suicidal or acutely homicidal?" "Well, not right now because he's in the hospital. We took the knife away. We took the gun away. We took the poison away." And they would say, "Well, then why does he have to be in the hospital?" You think to yourself, "Am I in--is this Oz?"

Scott Pelley: The insurance company wants to send 'em home?

Harold Koplewicz: Well, it's a lot cheaper in the short run. And if you're managing costs on a quarterly basis, you can understand why from a business point of view for that quarter it makes sense. For the sake of the child, for the sake of our society, for the sake of the child's future it doesn't make any sense

Of all the cases we looked at, one of the most revealing was Ashley's. She suffers from bipolar disorder.

Ashley: In 2012, I had had a suicide attempt. I couldn't find a way out.

Scott Pelley: Was this a cry for help or did you want to die?

Ashley: This one was real. I was alone. I tried my best.

Ashley's mother, Maria, asked us not to mention the family name.

Maria: One of the doctors told me on the phone, "I'm really sorry, but you will probably bury your daughter."

In 2012, Ashley was in the hospital for the fourth time that year. They thought they had taken away everything that could hurt her. But she smashed her cell phone and cut her wrists with the glass.

Scott Pelley: What did that tell you, in terms of the treatment that she needed?

Maria: It told me that she needed long-term treatment to survive.

Maria says that Anthem recommended treatment at Timberline Knolls, a residential facility. A doctor said Ashley needed 90 days. But after sending her to Illinois from California, Anthem denied payment after six days saying that Ashley could be, "safely treated with outpatient services."

Scott Pelley: Did the people at Timberline Knolls believe that?

Maria: No, they didn't--

Scott Pelley: That she was well?

Maria: No. They absolutely didn't believe it. They gave us the option of paying $22,000. For-- to complete the 30 days. And at that, we-- there wasn't a chance that we could do that.

Now, look at how Ashley's care was denied. This log shows Dr. Tim Jack, a psychiatrist working on behalf of Anthem, called Ashley's doctor three times in 32 minutes. One call was disconnected. He left two messages. Dr. Jack waited 22 minutes for a call back, and then denied coverage. From the first call to denial, 54 minutes, speaking to no one.

Why so fast? Well, it may be, in part, because many insurance doctors are paid by the case. Dr. Jack, is a contractor who gets $45 per patient. In court records, Dr. Jack says he does 550 reviews a month. So, working from home, that comes to $25,000 a month. We spoke to 26 psychiatrists from across the country, and every one brought up Dr. Jack's name. Some called him "Dr. Denial." This is a recording of Dr. Jack telling a physician that a patient's level of care should be lowered.

Dr. Tim Jack: Because given what his current progress is and his current symptoms are, he can be managed at a lower level of care as effectively as in an intensive outpatient program.

Doctor: You know doctor, I just want to say that I have spoken to you on so many different occasions, and with so many different clients, and I've never really had a positive outcome as far as authorization from you, so...I just needed to bring that to your attention.

Dr. Tim Jack: This is not a personal matter.

Doctor: I understand sir, but the client appears to meet the criteria, so...

We found Dr. Jack's denial rate averaged 92 percent in one six month period in 2011. But that was typical among 11 reviewers contracted by Anthem. Some of them had denial rates of 95 and 100 percent.

Scott Pelley: What's the impact on a family after a phone call like that?

Kathryn Trepinski: Devastating.

Kathryn Trepinski is a lawyer who represents patients. She does not represent Ashley's family, but she has filed suit against Anthem and other insurers.

Kathryn Trepinski: There's untold suffering and the family is usually left in the very difficult-- position of either paying for the care out of pocket, which is tens of thousands of dollars. Or they say no to their loved one, to their child.

Anthem says that reviews are checked by a supervising doctor but when we obtained Ashley's denial letter we found her review by Tim Jack, MD, was supervised by Timothy Jack, MD.

Scott Pelley: So he signs the documents twice?

Kathryn Trepinski: Yes, except that he doesn't actually sign them himself. It's a robo-signature.

Dr. Jack has acknowledged an Anthem computer put his name to letters he doesn't see and on cases he didn't review.

Kathryn Trepinski: It suggests a layer of review that's not there. Because the signing doctor is described in the letter as having made that coverage determination and he didn't.

We tried to reach Dr. Jack in calls and a letter. We stopped by his home. But he declined to speak. Katherine West's and Ashley's parents gave us permission to ask Anthem about their cases. Anthem declined an interview

but its chief medical officer wrote that they, "explored and provided the...families numerous care options that went beyond their covered benefits." He goes on to say "successful outcomes require a partnership between [sic] patients, families, medical professionals and health plans."

For the insurance industry's view, we found Anthem's former California medical director, Dr. Paul Keith. He retired in March after years supervising Anthem reviews, including those of Dr. Jack. He told us that, too often insurance companies are abused by care providers.

Dr. Paul Keith **CBS NEWS**

Dr. Paul Keith: Doctors will spin the clinical information. They will make things appear more serious than, perhaps, they are, because they feel strongly the patient needs this level of care for a little longer. So you do have a somewhat adversarial relationship between the reviewer and the attending physician.

Scott Pelley: You're saying the-- the doctor will overstate the case to get the insurance company to approve the client?

Dr. Paul Keith: Unquestionably that happens. Not all the time and I've been doing this for, you know, over 30 years.

Scott Pelley: You describe these conversations as "adversarial," is that best for the patient?

Dr. Paul Keith: Well, it's like our legal system if you, each side, does a good job in presenting their case and asking the right questions, you ultimately arrive at the truth.

Scott Pelley: But these can be life and death decisions and you don't know till it's too late.

"Doctors will spin the clinical information. They will make things appear more serious than, perhaps, they are, because they feel strongly the patient needs this level of care for a little longer..."

Dr. Paul Keith: I cannot, offhand, think of a situation where a decision was made to discharge a patient from a hospital and some terrible consequence occurred soon thereafter. I'm sure it happens, but--

Scott Pelley: We found quite a few.

Dr. Paul Keith: I'd have to look at them to see. There's one that occurs to me that I was involved with where the child left the hospital with his parents, escaped from his parents, drove cross country to another state, and days later, committed suicide. Keeping that individual in the hospital longer is not likely to have made any difference.

Scott Pelley: I would have to imagine that the parents would say, "If you'd kept him in the hospital, he wouldn't have been in another state killing himself."

Dr. Paul Keith: Parents become fearful that if they leave too soon, the same

thing's gonna happen that may have happened in previous occasions, but you can't keep an individual in the hospital forever.

Scott Pelley: So to the parent who says the insurance company is just trying to get my child out of the hospital, you say what?

Dr. Paul Keith: It's half true; the insurance company may very well want that child to go to a lesser level of care, but money is not the basis for the decision.

Scott Pelley: A lot of people watching this interview are gonna have trouble with the idea that insurance companies are not trying to save money.

Dr. Paul Keith: Of course, your insurance companies are trying to save money. There's a lot of treatment that is not medically necessary that is provided, and that is a waste of healthcare dollars and the resources are scarce.

Ashley's family hired a lawyer and appealed to the California Insurance Board which overturned Anthem's denials. Now, she is in treatment for bipolar disorder, treatment that may last a lifetime. Katherine West was buried a year ago this month, her mother has filed suit against Anthem.

After the mass murder at Newtown, the state of Connecticut's Sandy Hook Commission studied mental health. A draft of its upcoming report calls the insurance review process a "formidable barrier... to care" and recommends a state agency review all denials.