

Utilizing Legal Case Review to Isolate Cases of Improper Denials of Medical Therapies

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INTRODUCTION

In recent years, healthcare providers and insured patients have increasingly faced challenges from insurance companies in receiving proper coverage for medically necessary therapies (e.g., due to cost savings).

These denials, particularly when deemed unjustified or unconscionable, can obstruct access to needed treatments and procedures, impacting patient outcomes.

This study leverages legal case data to identify patterns of unjustified denials and classify these denials according to the type of medical product or service impacted.

OBJECTIVE

Utilizing transcripts of lawsuits/legal cases to find instances of unconscionable or unjustified denials of key marketed medical therapies.

Based on cases identified, isolate those insurance companies/health plans with highest instances of relevant denials.

METHOD

A search of two databases, Courtlink and Bloomberg, was conducted using specific keywords associated with lawsuits filed in a two-year timeframe (between 3/14/2022 and 3/14/2024) to isolate the most relevant cases. From these searches, we continued the process using only Bloomberg.

KEYWORDS SEARCHED

“Deny” or “Denial”, “Health” or “Medical” and “Claim”

Initial search

“Drug Rehabilitation” or “Drug Treatment Center”

Excluded from search

“Substance Abuse”, “Substance”, “Mental Health”, “Hospice”, “Disability” or “Life Insurance”

Based on initial results, we added an additional 6 words/phrases to our exclusion criteria to exclude lawsuits related to stays in rehabilitation facilities

We viewed the extracts of each case and marked them as relevant or not relevant. For those marked as relevant, we downloaded full document history of available complaints and dockets for a more in-depth literature review of the subject matter of each legal case and manually marked them as relevant or not relevant.

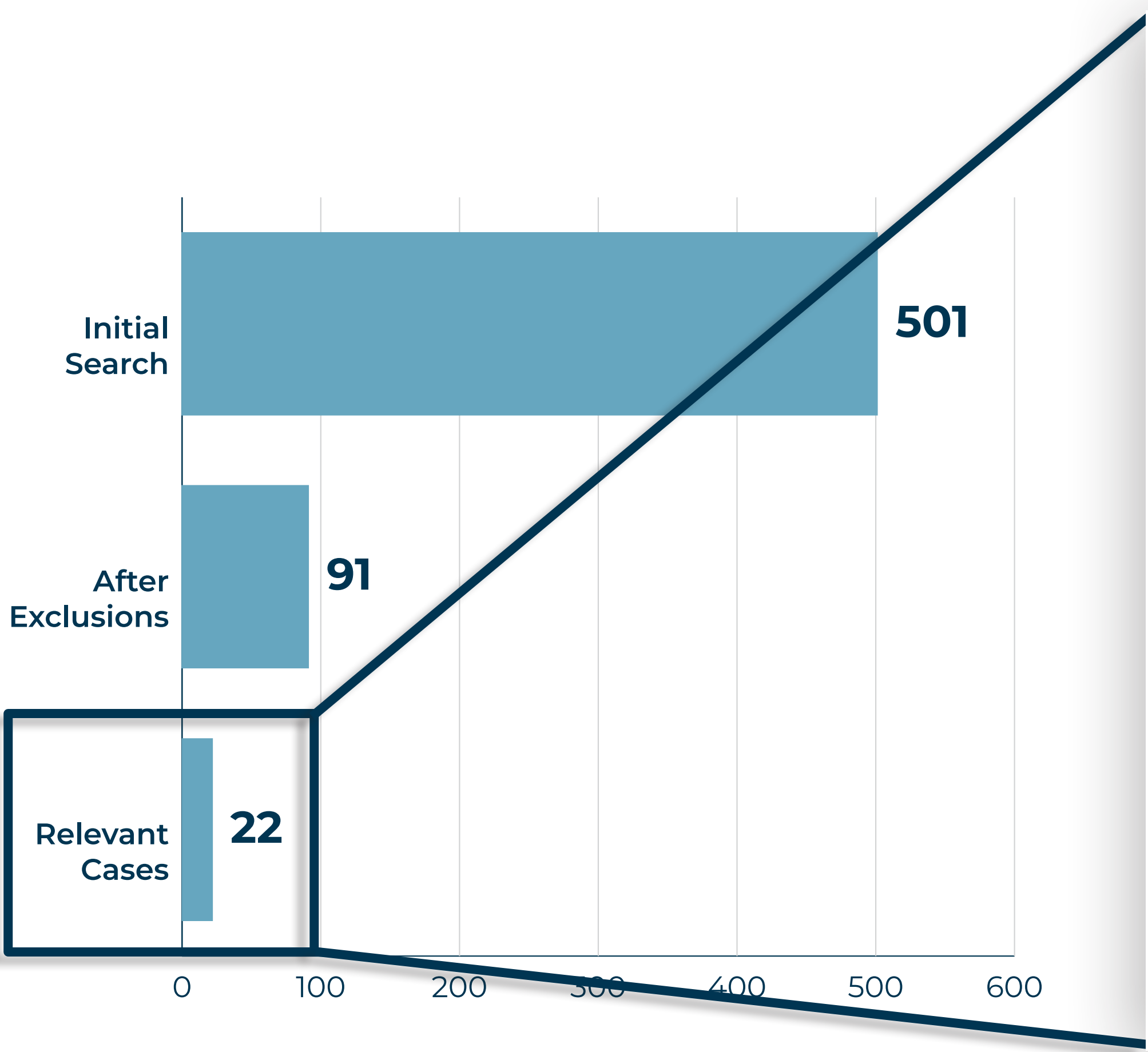
From our final list of claim denial legal cases, we categorized denials by categories including:

PROCEDURE/SURGERY	
THERAPEUTIC	DEVICE
EQUIPMENT	OTHER

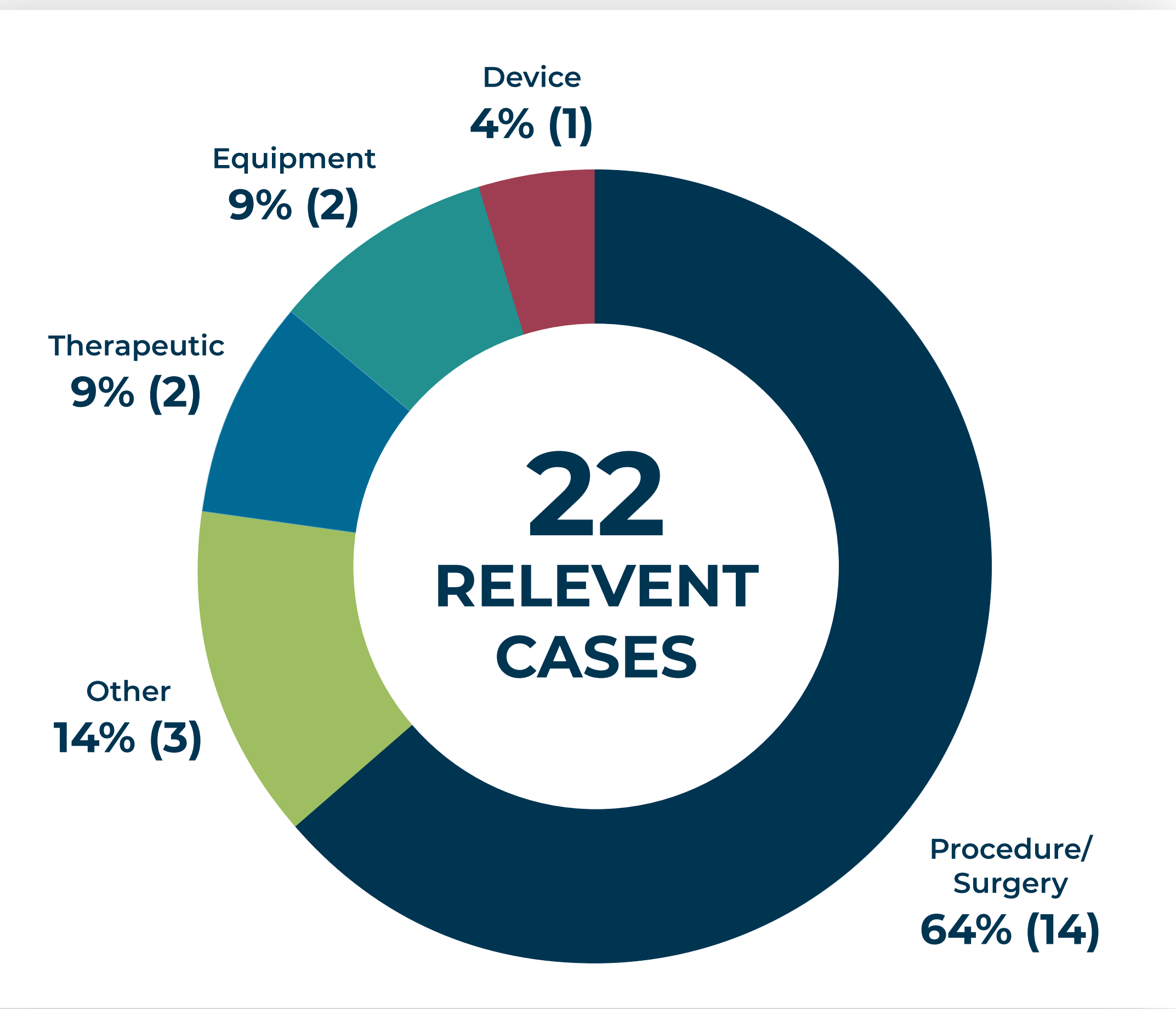
RESULTS

The initial search criteria returned 501 cases. With the additional 6 words/phrases used as exclusion criteria, our output was limited to 91 relevant legal cases. After reviewing the full document history and available dockets for each of the 91 cases, we isolated 22 relevant cases which dealt with the subject matter of unjustified medical denials. Of those 22 cases, the most common denial category was for Procedure/Surgery at 64% (14), followed by Other 14% (3), Therapeutic 9% (2), Equipment 9% (2) and Device 5% (1). Neither of the two therapeutic denials (one for ketamine, the other for IVIG) were for newly launched/ marketed products.

Exclusion Criteria Output



Breakdown of Relevant Case Subtypes



CONCLUSIONS

Legal case review provides valuable insight into improper denials of procedures and surgeries, which represent the majority of contested cases.

However, the limited cases involving therapeutic product / drug denials suggest that legal cases alone might not capture the full extent of these denials. This could be a product of the limitations of the data source we had access to, Bloomberg, which focuses primarily on federal cases. It could also be due to patient assistance programs (PAPs) provided by the pharmaceutical companies which allow individuals denied medication coverage to obtain drugs at a reduced or no cost, which removes the need for litigation.

To fully understand payor behavior, especially denials, future studies should incorporate other data sources, such as insurance appeals, to provide a more comprehensive view of denial patterns.

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