

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Before the Director of Insurance and Financial Services

In the matter of:

████████████████████

Petitioner,

v

File No. 147234-001

Reliance Standard Life Insurance Company,

Respondent.

Issued and entered
This 29th day of April 2015
by Randall S. Gregg
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On April 8, 2015, ████████████████████ (Petitioner) filed a request with the Director of Insurance and Financial Services for an external review under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.*

The Petitioner receives dental benefits through a group plan underwritten by Reliance Standard Life Insurance Company (Reliance). The Director immediately notified Reliance of the request and asked for the information it used to make its final adverse determination. The Director received Reliance's response on April 9, 2015. After a preliminary review of the material received, the Director accepted the request on April 15, 2015.

The issue here can be decided by a contractual analysis. The Director reviews contractual issues pursuant to MCL 550.1911(7). This matter does not require a medical opinion from an independent review organization.

II. FACTUAL BACKGROUND

The Petitioner's dental benefits are defined in a certificate of group dental insurance issued by Reliance (the certificate).

On March 11, 2014, the Petitioner had a core buildup and crown placed on tooth #2 by [REDACTED]. The charge for these services was \$1,416.00. Reliance denied coverage, saying proof of loss was not received within 90 days of the date of service.

The Petitioner appealed the denial through Reliance's internal grievance process. At the conclusion of the process, Reliance affirmed its decision in a final adverse determination dated February 24, 2015. The Petitioner now seeks a review of that adverse determination from the Director.

III. ISSUE

Did Reliance Standard correctly deny coverage for the Petitioner's dental services?

IV. ANALYSIS

Respondent's Argument

In its final adverse determination, Reliance explained its decision to the Petitioner:

We are upholding the original benefit determination. The group dental plan in which our member is enrolled includes a Proof of Loss provision which states that written proof of loss must be reported to our office within ninety (90) days after the date of service for which a claim is being made. This plan provision is illustrated in the member's Certificate of Coverage under the General Provisions Section.

Since the initial claim for the services performed on March 11, 2014 was not received in our office until August 21, 2014, it does not appear to be eligible for reimbursement under the terms of the contract.

We regret that no additional benefits are available. We recognize that benefits for selected treatment will sometimes be excluded or reduced due to plan provisions or other limitations. However, we are obligated to adhere to those plan provisions and apply them consistently. . . .

Petitioner's Argument

On the request for external review form the Petitioner said: "Forms were filled late and were denied payment. I expect the claim to be honored not dismissed just because the filing was late." The Petitioner also submitted a letter to Reliance from his dentist's office dated January 15, 2015, which said:

. . . The claim for dos [*date of service*] 3/11/14 was originally mailed on 4/4/14 with all the necessary documentation needed for your review and it appears you never received this claim until it was submitted for the second time.

Upon review of [the Petitioner's] accounts in our office it was noted that no response was received from Reliance Standard; therefore, another claim was generated and mailed in on 8/18/14, this was our second submission, and it was received by you on 8/21/14. Services were rejected indicating we did not submit the claim in the time limit specified, we called Reliance Standard to clarify the denial and were made aware of the 90 day filing limit and then instructed to send in an appeal showing when the claims was originally sent. We sent in the appeal with a copy of [the Petitioner's] account history which show when the claim was generated and mailed. I am now asking for another appeal. We have no other way of proving that the claim was sent in the mail without a tracking number; and we do not normally send our claims that way. We have no control of what happens once the claim has been mailed; however, I did send you the patient account history where it clearly shows that the claim was generated on 3/11/14 and mailed on 4/4/14. Please clarify what additional information I can supply that would prove to you that we did mail the dental claim to you.

Director's Review

The certificate, in the "General Provisions" section, has this proof of loss provision:

Written proof of loss must be given to us within 90 days after the incurred date of the services provided for which benefits are payable. If it is impossible to give written proof within the 90 day period, we will not reduce or deny a claim for this reason if the proof is filed as soon as is reasonably possible.

This provision is based on, and is substantially in accord with, section 3414 of the Insurance Code which says:

There shall be a provision as follows:

PROOFS OF LOSS: Written proof of loss must be furnished to the insurer at its said office in case of claim for loss for which this policy provides any periodic payment contingent upon continuing loss within 90 days after the termination of the period for which the insurer is liable and in case of claim for any other loss within 90 days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than 1 year from the time proof is otherwise required. [MCL 500.3414]

Reliance denied the claim for the Petitioner's dental services because proof of loss was not furnished within 90 days of the date of service (i.e., by June 9, 2014) as required by the certificate.

Reliance says it first received a claim for the Petitioner's dental care on August 21, 2014, a date beyond the 90 day period. While the dentist's office says a claim was mailed on April 4, 2014, it was unable to provide any documentary evidence of that mailing.

There is nothing in the record that would allow the Director to conclude that proof of loss had been submitted before June 9, 2014, and, because a review under the Patient's Right to Independent Review Act only provides for a "paper hearing,"¹ the Director does not have other means of establishing the fact that a mailing occurred, such as witness credibility. Therefore, the Director finds that Reliance followed the terms of the certificate when it denied the Petitioner's dental claim.

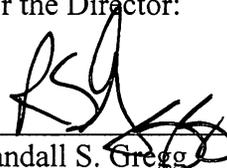
V. ORDER

The Director upholds Reliance Standard Life Insurance Company's final adverse determination of February 24, 2015.

This is a final decision of an administrative agency. Under MCL 550.1915, any person aggrieved by this order may seek judicial review no later than 60 days from the date of this order in the circuit court for the county where the covered person resides or in the circuit court of Ingham County. A copy of the petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of General Counsel, P.O. Box 30220, Lansing, MI 48909-7720.

Annette E. Flood
Director

For the Director:



Randall S. Gregg
Special Deputy Director

¹ See *English v Blue Cross Blue Shield of Michigan*, 263 Mich App 449 (2004).