

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. 150544-001

Reliance Standard Life Insurance Company,

Respondent.

Issued and entered
this 10th day of November 2015
by Joseph A. Garcia
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

██████████ (Petitioner) had dental services in February 2015. Her dental insurer, Reliance Standard Life Insurance Company (Reliance), denied coverage because proof of loss was not received on time.

On October 26, 2015, the Petitioner filed a request with the Director of Insurance and Financial Services for an external review of Reliance's denial under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.*

The Petitioner receives group dental benefits through a plan underwritten by Reliance. The Director immediately notified Reliance of the external review request and asked for the information it used to make its final adverse determination. The Director received Reliance's response on October 26, 2015. After a preliminary review of the material received, the Director accepted the request on November 2, 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 February 25, 2015, the Petitioner had an evaluation and teeth cleaning done by her dentist. The charge was \$135.00. 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 October 7, 2015. The Petitioner now seeks a review of that final 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's dentist:

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 February 25, 2015 was not received in our office until August 6, 2015, 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:

The [dentist's] office had the wrong insurance information. When I found out they didn't have the new insurance I gave it to them. It isn't my fault they didn't submit it right away. I do pay my insurance weekly and shouldn't be penalized.

The Petitioner also submitted a letter dated September 8, 2015, written by her dentist's office manager to Reliance, which said:

I would like you to reconsider paying this claim. Patient at the time of serve [sic] thought they had other coverage. It was therefore billed to another carrier and then due to an oversight on our part we did not catch the denial sooner. I would appreciate if you would make an exception and pay the claim this one time.

Director's Review

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

PROOF OF LOSS. 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, MCL 500.3414, 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.

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 May 26, 2015, as required by the certificate. Reliance says it first received a claim for the Petitioner's dental care on August 6, 2015, a date beyond the 90 day period.

It appears that both the Petitioner and the dentist's office contributed to the delay. The dentist's office did not initially have the Petitioner's correct insurance information; then the dentist's office did not promptly submit the claim to Reliance. There is no showing that it was "impossible" for the claim to be submitted timely.

It is undisputed that the proof of loss was not submitted within 90 days. Therefore, the Director concludes 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 October 7, 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 Michigan 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.

Patrick M. McPharlin
Director

For the Director:

A handwritten signature in black ink, appearing to read "J. Garcia", written over a horizontal line.

Joseph A. Garcia
Special Deputy Director