



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF INSURANCE
34 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0034

Eric A. Cioppa
Superintendent

Bulletin 435

Long-Term Care Insurance Claims

The Superintendent directs this bulletin to the attention of long-term care (“LTC”) insurers doing business in Maine and entities that pay claims on their behalf.

Since 2013, Maine has had a comprehensive law regulating the payment of LTC claims.¹ The law requires that, upon receiving a notice of claim under an LTC policy, the insurer must send the insured a sufficiently clear statement outlining what documentation the insurer needs to process the claim. The insurer may require the following documentation:

- (1) A brief statement by or on behalf of the insured describing the basis of the claim for benefits;
- (2) A signed release permitting the insurer to obtain personal health information about the insured pursuant to the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA);
- (3) A statement from the insured’s physician, including the appropriate diagnosis and a treatment and care plan for the insured;
- (4) A statement from the long-term care provider rendering services to the insured, including an itemized bill for services, the provider’s license number, and any daily nursing notes;
- (5) A copy of any power of attorney executed by the insured; and
- (6) Other information that the insurer determines is reasonably necessary to evaluate before making a determination on the claim and that is not readily available from sources other than the insured²

Within 30 days after receiving the requested documentation, the insurer must either pay the claim or issue a notice to the insured denying all or part of the claim with specific reasoning for the denial. The law prohibits extending payment of a claim beyond 30 days due to a “technical issue,”

¹ 24-A M.R.S. § 5083 enacted by P.L. 2013, ch. 278, § 2.

² 02 031 C.M.R. Ch. 420, § 9(A) and Ch. 425, § 31(A). See 24-A M.R.S. § 5083(2).



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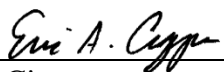
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which means any “matter that is procedural in nature and not integral to the determination of whether the insured is entitled to benefits under the policy.”³ An example of a technical issue is the failure to submit completed forms that duplicate information that the insurer already has.⁴

Another example of a technical issue is the failure to make a specific request for payment after the claim is submitted. The Bureau has been informed that some LTC insurers, even after receiving a valid claim and all “information reasonably necessary to pay or continue paying the claim,” have nevertheless delayed paying claims until their insureds or their representatives have telephoned the insurers to request payment. The claim itself is a request for payment, and insurers may not require the insured to ask twice. The lack of a phone call does not excuse the insurer from the legal requirement to pay or deny the claim within 30 days after receiving the supporting information it has requested

LTC insurers in Maine should review their claims payment procedures to ensure that they comply with Maine law. Insurers or claims administrators that request excessive documentation, delay payment of claims, or otherwise violate Maine’s LTC claims payment requirements may be found to have committed an unfair trade practice, making them subject to enforcement penalties and remedial measures as outlined in 24-A M.R.S. § 12-A.

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Eric A. Cioppa
Superintendent of Insurance

NOTE: This Bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties, or privileges, nor is it intended to provide legal advice. Readers should consult applicable statutes and rules and contact the Bureau of Insurance if additional information is needed.

³ 02 031 C.M.R. Ch. 420, § 4(G) and Ch. 425, § 4(K).

⁴ *Id.*