

# BULLETIN 354

## Retrospective Denials of Medicare Supplement Claims

It has come to the Bureau's attention that some Medicare supplement insurers have been reopening paid claims and seeking recovery from providers long after the services were provided. This behavior is only permissible in highly unusual cases.

Almost all Medicare supplement claims relate to services paid for in part by Medicare or credited against a Medicare deductible. Both state and federal law require the insurer to decide these claims on the basis of the information submitted with the underlying Medicare claim. That decision should be final, unless the Medicare claim is denied in whole or part.

Therefore, when retrospective denial of a Medicare supplement claim is permitted at all, it must be done promptly after the denial of the underlying Medicare claim. With limited exceptions, this must happen within one year after the date of the claim. Any unnecessary delay between the denial of the Medicare claim and the denial of the Medicare supplement claim violates the Maine Unfair Claims Practices Act, 24-A M.R.S.A. § 2164-D(3), which requires insurers to adopt and implement reasonable standards for the prompt investigation and settlement of claims and make a final decision within a reasonable time after having completed its investigation.

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