IN THE MATTER OF THE	*	**BEFORE THE MARYLAND**
	*	
MARYLAND INSURANCE ADMINISTRATION	*	**INSURANCE COMMISSIONER**
	*	
v.	*	
	*	**CASE NO.: MIA-** 2015-10-024
VICTORIA MEYERS	*	
705 Baylis Street	*	**Fraud Division File No.: R-2015-3230A**
Baltimore, Maryland 21224	*	
	*	

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ORDER

This Order is entered by the Maryland Insurance Administration ("MIA") against Victoria Meyers ("Meyers" or "Respondent") pursuant to §§2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.)("the Insurance Article").

I. Facts

1. Respondent was insured under a health insurance policy administered by CareFirst BlueCross BlueShield ("CareFirst"), an authorized insurer. The membership identification number was [redacted]. The policy coverage period was from January 1, 2013 through December 1, 2014.

2. On five occasions Respondent submitted health care benefits claim forms and provider invoices to CareFirst for treatment she purportedly received between January 2, 2013 and July 30, 2014. Each claim was processed by CareFirst. Since the health care provider was out-of-network, CareFirst issued reimbursement checks directly to Respondent.

3. Respondent's health care provider received a Provider Voucher from CareFirst. The voucher itemized Respondent's treatment and related charges. The health care provider noted several discrepancies within the voucher specific to treatment dates, procedure codes and charges incurred by Respondent for the cited treatments.

4. On October 8, 2014, the health care provider questioned Respondent concerning the discrepancies contained in the foregoing voucher. In response, Respondent confessed she had submitted false documents to CareFirst relating to her treatment.

5. On November 16, 2014, Respondent's health care provider sent a letter to CareFirst advising that Respondent had submitted false claims regarding her treatment.

6. On January 8, 2015, Respondent's claims were referred to CareFirst's Special Investigations Unit ("SIU"), based upon the information forwarded by the health care provider.

7. An SIU investigator compared actual health care provider treatment records with the claims submitted to CareFirst by Respondent. The investigator discovered the invoices were altered. "The alterations included upcoding of procedure codes, increased total visit charges, and fabricated invoices with dates of service whereby the provider had not treated the patient"

8. Relying on Respondent's submission of health care benefits claim forms and invoices, CareFirst had paid Respondent a total of $6,599.06, an overpayment of $5,491.13, net the actual expenses incurred by Respondent for treatment CareFirst authenticated.

9. On October 29, 2014, CareFirst received a check from Respondent for $1,662.34 along with a letter in which she stated, "I have located an error and have corrected it."

10. On April 16, 2015, CareFirst sent a letter to Respondent advising that a review of the services billed resulted in an overpayment to her of $5,491.13. CareFirst advised it had received her $1,662.34 refund check; therefore, she has an outstanding balance of $3,828.79, due no later than May 18, 2015. Respondent failed to make the additional restitution.

11. Section 27-802(a)(1) of the Maryland Insurance Article states, "An authorized insurer, its employees, or insurance producers, who in good faith have cause to believe that insurance fraud has been or is being committed, shall report the suspected insurance fraud in

writing to the Commissioner, the Fraud Division, or the appropriate federal, State or local law enforcement authorities." CareFirst, having a good faith belief that Respondent committed insurance fraud, referred the matter to the Maryland Insurance Administration, Fraud Division.

12. In the course of its investigation, MIA contacted CareFirst and confirmed its handling of Respondent's claim.

13. On September 29, 2015, MIA interviewed Respondent's health care provider who confirmed she had treated Respondent a total of 40 times in calendar years 2013 and 2014, not 87 times as Respondent had claimed to CareFirst. Additionally, the health care provider examined the claims submitted to CareFirst by Respondent and reported that the procedure codes were altered and fees for service were intentionally inflated.

14. MIA confirmed that CareFirst, relying on the claims submitted by Respondent, issued her five reimbursement checks prior to discovering the claims had been fabricated. Each check was endorsed by Respondent.

II. Violation(s)

15. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that Respondent violated Maryland's insurance laws:

16. **§27-403**

It is a fraudulent insurance act for a person:

(2) to present or cause to be presented to an insurer documentation or an oral or written statement made in support of a claim...with knowledge that the documentation or statement contains false or misleading information about a matter material to the claim.

17. §27-408(c)

(1) In addition to any criminal penalties that may be imposed under this section, on a showing by clear and convincing evidence that a violation of this subtitle has occurred, the Commissioner may:

(i) impose an administrative penalty not exceeding $25,000 for each act of insurance fraud; and

(2) In determining the amount of an administrative penalty, the Commissioner shall consider:

(i) the nature, circumstances, extent, gravity, and number of violations;
(ii) the degree of culpability of the violator;
(iii) prior offenses and repeated violations of the violator; and
(iv) any other matter that the Commissioner considers appropriate and relevant.

18. By the conduct described herein, Victoria Meyers violated §27-403. As such Respondent is subject to an administrative penalty under the Insurance Article §27-408(c).

III. Sanctions

19. Insurance fraud is a serious violation which harms consumers in that the losses suffered by insurance companies are passed on to consumers in the form of higher premiums. The Commissioner may investigate any complaint that alleges a fraudulent claim has been submitted to an insurer. Insurance Article §§2-201(d) (1) and 2-405.

20. Respondent submitted five health care claims to CareFirst. Investigation revealed that invoices related to those claims had been altered, procedure terminology codes were changed and purported services were not rendered. Having considered the factors set forth in §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that $7,500.00 is an appropriate penalty.

21. Additionally, Respondent is ordered to reimburse CareFirst $3,828.79, the net amount she fraudulently obtained after she submitted false claims regarding her health care treatment.

22. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2015-3230A) and name (Victoria Meyers). Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

23. Notification of reimbursement to CareFirst shall be made in writing to the Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Such notification shall include a copy of the money order or cancelled check issued to CareFirst as proof of reimbursement and identify the case by number (R-2015-3230A) and name (Victoria Meyers).

24. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by Respondent, including the conduct that is the subject of this Order.

WHEREFORE, for the reasons set forth above, and subject to the right to request a hearing, it is this 26th day of October 2015, **ORDERED** that:

(1) Victoria Meyers pay an administrative penalty of $7,500.00 within 30 days of the date of this Order.

(2) Victoria Meyers pay restitution to CareFirst in the amount of $3,828.79 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY: signature on original

VICTORIA AUGUST
Acting Associate Commissioner
Insurance Fraud Division