

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER  
  
CASE NO. : MIA- 2014- 12 -030  
Fraud Division File No.: R-2015-0742A

v.

ERICKA NICHOLE MASSEY  
905 Nottingham Road, Apt. 5B  
Baltimore, Maryland 21229

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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Ericka Nichole Massey (“Massey” or “Respondent”) pursuant to §§2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Annotated Code of Maryland (“the Insurance Article”).

**I. Facts**

1. Respondent was insured under a health insurance policy issued by CareFirst BlueCross BlueShield (“CareFirst”), an authorized insurer. The policy number was [REDACTED]. The policy was in effect from July 1, 2013, and cancelled on September 1, 2014.

2. Respondent was employed as a front desk coordinator at a dentist’s office in Pikesville, Maryland from June 1, 2010 through January 4, 2013.

3. On July 30, 2013 and October 18, 2013, Respondent submitted the following dental claims to CareFirst using her former employer's provider information. The dentist’s purported signature appeared on each claim form, certifying treatment. Both claims were processed by CareFirst in their Owings Mills, Maryland office. Since the dentist was an out-of-network provider, CareFirst issued two reimbursement checks directly to Respondent totaling \$1,500.00.

- (1) Claim number [REDACTED] 300: was submitted on July 30, 2013, and cited dental services provided to Respondent. CareFirst issued a reimbursement check to Respondent in the amount of \$622.20. The check was negotiated by Respondent.

- (2) Claim number [REDACTED] 100: was submitted on October 18, 2013, and cited dental services provided to Respondent. CareFirst issued a reimbursement check to Respondent in the amount of \$877.80. The check was negotiated by Respondent.

4. After issuing the checks, CareFirst requested additional information from the dentist regarding the second claim. The dentist advised CareFirst that Respondent never received dental treatment at her office, where she is the only dentist. The dentist's provider information was used by Respondent without her knowledge.

5. On May 22, 2014, Respondent's claims were referred to CareFirst's Special Investigations Unit (SIU), based upon the information provided by the dentist.

6. On August 28, 2014, CareFirst SIU investigators met with the dentist. She provided a written statement, advising that the signature on the claim forms was not hers and that she never treated Respondent.

7. On August 28, 2014, SIU investigators interviewed Respondent. Investigators presented the two claim forms. Respondent admitted in a signed written statement she submitted two dental claims to CareFirst for treatment she did not receive. In her written statement, Respondent agreed to repay CareFirst \$1,500.00 by September 30, 2014.

8. On September 16, 2014, CareFirst sent Respondent a letter confirming her agreement to reimburse CareFirst \$1,500.00 by September 30, 2014.

9. Section 27-802(a)(1) of the Insurance Article states, "An authorized insurer, its employees, producers... or agents, who in good faith has 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 on August 29, 2014.

10. MIA confirmed CareFirst's handling of the claim as set forth above.

11. On October 22, 2014, MIA met with the dentist who examined the two dental claim forms submitted by Respondent, dated July 30, 2013 and October 18, 2013. The dentist advised that she did not sign the claim forms nor did she provide any dental treatments to Respondent. The dentist reported that Respondent submitted the claims to CareFirst using her provider information without her knowledge or authorization.

12. On two occasions, MIA spoke with Respondent via telephone. Respondent stated she was aware that she needed to repay CareFirst and she admitted that she completed the dental claim forms and mailed them to CareFirst from a Maryland Post Office.

13. October 24, 2014, MIA received notification from the CareFirst SIU investigator that Respondent repaid the \$1,500.00.

## **II. Violation(s)**

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

### **15. §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.

### **16. §27-408(c)**

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.

17. By the conduct described herein, Respondent violated §27-403 and is subject to an administrative penalty under the Insurance Article.

### **III. Sanctions**

18. 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.

19. The Respondent submitted two dental claim forms to CareFirst using her former employer's provider information, alleging dental treatment. Investigation revealed that the claims were false and Respondent was never treated by the dentist. Having considered the factors set forth in §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$2,000.00 is an appropriate penalty.

20. Administrative penalties shall be made payable to: Maryland Insurance Administration. Attention: Associate Commissioner, Insurance Fraud Division. Administrative penalty shall be sent to: 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Payments shall identify the case by number (R2015-0742A) and name (Ericka Nichole Massey). Unpaid penalties will be referred to the Central Collections Unit for collection.

21. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by the 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 18<sup>th</sup> day of December 2014, **ORDERED** that:

- (1) Ericka Nichole Massey pay an administrative penalty of \$2,000.00 within thirty (30) days of the date of this Order.

THERESE M. GOLDSMITH  
Insurance Commissioner

*Signature on original*

BY:

CAROLYN HENNEMAN  
Associate Commissioner  
Insurance Fraud Division

#### **RIGHT TO REQUEST A HEARING**

Pursuant to §2-210 of the Insurance Article and Code of Maryland Regulations (“COMAR”) 31.02.01.03, an aggrieved person may request a hearing on this Order. This request must be in writing and received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order. However, pursuant to §2-212 of the Article, the Order shall be stayed pending a hearing only if a demand for hearing is received by the Commissioner within ten (10) days after the Order is issued. The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Appeals Clerk. The request shall include the following information: (1) the action or non-action of the Commissioner causing the person requesting the hearing to be aggrieved; (2) the facts related to the incident or incidents about which the person requests the Commissioner to act or not act; and (3) the ultimate relief requested. The failure to request a hearing timely or to appear at a scheduled hearing will result in a waiver of your rights to contest this Order and the Order shall be final on its effective date. Please note that if a hearing is requested on this initial Order, the Commissioner may affirm, modify, or nullify an action taken or impose any penalty or remedy authorized by the Insurance Article against the Respondent in a Final Order after hearing.