

American Arbitration Association
New York No-Fault Arbitration Tribunal

In the Matter of the Arbitration between:

Floral Park Physical Therapy PC
(Applicant)

- and -

State Farm Mutual Automobile Insurance
Company
(Respondent)

AAA Case No. 17-20-1162-3787

Applicant's File No. None

Insurer's Claim File No. 523924T26

NAIC No. 25178

ARBITRATION AWARD

I, Mary Anne Theiss, the undersigned arbitrator, designated by the American Arbitration Association pursuant to the Rules for New York State No-Fault Arbitration, adopted pursuant to regulations promulgated by the Superintendent of Insurance, having been duly sworn, and having heard the proofs and allegations of the parties make the following **AWARD**:

Injured Person(s) hereinafter referred to as: Claimant

1. Hearing(s) held on 12/08/2021
Declared closed by the arbitrator on 12/08/2021

Rajesh Burua, Esq. from The Law Offices of Hillary Blumenthal P.C. (Melville) participated in person for the Applicant

Mohammad, Esq. from James F. Butler & Associates participated in person for the Respondent

2. The amount claimed in the Arbitration Request, **\$ 471.20**, was NOT AMENDED at the oral hearing.
Stipulations WERE NOT made by the parties regarding the issues to be determined.
3. Summary of Issues in Dispute
The Claimant was in an automobile accident on April 25, 2018. The Applicant in this matter, Floral Park Physical Therapy, PC is seeking reimbursement in the amount of \$471.20 for dates of service August 16, 2018 to August 29, 2018.
The issue is whether the Carrier received the bill for the dates of service.
4. Findings, Conclusions, and Basis Therefor

The Claimant was in an automobile accident on April 25, 2018. The Applicant in this matter, Floral Park Physical Therapy, PC is seeking reimbursement in the amount of \$471.20 for dates of service August 16, 2018 to August 29, 2018.

The issue is whether the Carrier received the bill for the dates of service.

In my capacity as a Claim Specialist, I have reviewed the documents associated with this lawsuit, which are attached and described more fully below. Each of the documents that are attached and discussed in this affidavit was: (i) created, maintained and or received by State Farm in the regular course of its business, and (ii) to the extent created, were done by State Farm and its employees. In addition, State Farm has an obligation to generate and maintain the documents in the regular course of its business.

The date appearing on the State Farm documents attached to and discussed in this affidavit represents the date that they were created. The documents attached to this affidavit are true and accurate copies of the documents contained in the claim file within State Farm's ECS System. I. Standard Business Practices/Procedures Employed by State Farm Relating to NY PIP Benefits

The procedures described in this affidavit apply to all documents that are received and/or prepared by State Farm in relation to claims for NY PIP Benefits, including but not limited to eligible injured persons ("EIPs"), medical providers and in some instances, attorneys representing them. These documents include but are not limited to, applications for NY PIP Benefits ("NF2s"), bills from medical providers or hospitals ("NF-3s" and "NF-5s"), correspondence relating to NY PIP Benefits (e.g. cover letters to medical providers and eligible injured persons), requests for additional verification and follow up requests (i.e. second requests) for additional verification (including examinations under oath), letters relating to independent medical examinations ("IMEs"), denial of claim forms ("NF-10s") and accompanying explanations of review ("EORs") (collectively, "NY PIP Mail"). The standard business practices/procedures that are described in this affidavit (i) were in place and were utilized by State Farm at the time that the documents relating to this matter were received and/or created, and (ii) employed by State Farm, regardless of which State Farm's claim office the NY PIP Mail was received and/or created.

All information associated with claims for NY PIP Benefits, including but not limited to bills (e.g. NF-3 and NF-5 forms) are maintained by State Farm in its ECS System. Incoming NY PIP mail, when received through the United States Postal Service or other means where there is no other indication on the document of when it was received, are date stamped on the day of receipt at the State Farm mail imaging facility where the document is received. State Farm has been using mail imaging facilities for the intake of NY PIP Mail since January 16, 2012. Incoming mail relating to NY PIP Benefits (e.g. NF-2 forms and NF-3 forms) are received by the Company at designated post office boxes in Atlanta, Georgia while communications and information sent in response to communications/requests from SIU are received by the Company at designated post office boxes in Phoenix, Arizona. Ultimately, whether the mail is received at Atlanta or at 4 Phoenix is not material because the following uniform processes are used by State Farm at the mail imaging facilities: (i) incoming mail is picked up from the post office boxes every morning, Monday through Friday, and delivered to the mail imaging facility, (ii) the incoming mail is sorted into trays, and each tray is "tagged" with a sheet identifying the actual date when the document was received (the "Date Sheet"), (iii) each document in the tray is separately scanned through a high speed scanner that places an electronic imprint on the document that correlates to the date received on the Date Sheet, and (iv) once scanned, each document is then held in an electronic "queue" for review by a State Farm employee who, in turn, identifies the claim number on the document, associates it with the claim number in the ECS system and then releases the document, which causes that document to be uploaded into the ECS system and routed through the ECS system for handling. Once a document is scanned and released into the ECS system, the claim files and all associated documents in the ECS system can be accessed by any authorized State Farm employee through a computer that has authorization to access the ECS System, regardless of whether access is from a State Farm office or done remotely. The ECS System does not allow scanned and/or electronic documents to be altered by anyone.

Once a bill is entered into the ECS System, it is reviewed to determine whether it should be paid or denied, or whether additional information (i.e. verification) is necessary to make such a decision. If additional information is required, an additional

verification request letter and the necessary forms are mailed to the appropriate parties by State Farm in accordance with State Farm's regular business practices and procedures associated with the handling of New York PIP Benefit claims.

When the decision is to pay a bill in part or in its entirety, State Farm issues the payment with an accompanying NF-10 and/or EOR, which is created in duplicate for mailing to the appropriate parties, bearing the postal address of the State Farm incoming mail facility. When the decision is to deny a bill in its entirety, an NF-10 and/or EOR is similarly created in duplicate for mailing to appropriate parties, bearing the postal address of the State Farm incoming mail facility. If the healthcare provider elects to participate in State Farm's electronic claim/payment system, then all payments (when total or partial payment is issued) with an accompanying NF-10 and/or EOR are electronically transmitted to the appropriate parties, and those documents similarly bear the postal address of the State Farm incoming mail facility. In all instances, the basis for the payments made and/or denials issued by State Farm are set forth on the NF-10 and EOR, which is sent as a matter of State Farm's regular business practice when a claim is denied or a total or partial payment is made. When an NF-10 is accompanied by an EOR form, the NF-10 states, "See attached Explanation of Review". With exception of documents transmitted electronically, the documents that are created by State Farm with the return mailing address P.O. Box 106170, Atlanta, Georgia 30348 are mailed from Lincoln, Nebraska and the documents that are created with the return mailing address P.O. Box 106107, Atlanta Georgia 30348 are mailed from Ballston Spa, New York. This does not apply to documents that are created in relation to claims being handled by the Company's Special Investigative Unit.

When State Farm issues payment of a bill in full, only an EOR accompanies the payment. Exceptions to State Farm's standard business practice/procedure occur when there is a settlement payment of a bill or a lost wage payment. When a lost wage payment is issued, a Wage Calculation Sheet is sent with the payment. II. Documents Associated With The Claims At Issue Bills Were Not Received

The file associated with this claim reflects that State Farm has not received a bill for the date(s) of service 8/16/18-8/29/18 for \$471.20. My duties and responsibilities include the handling of lawsuits filed for No-Fault benefits. I personally reviewed the file and computer records of the instant claim maintained by my office and conducted a diligent search of the file and based on that review and search, I have determined that said files do not contain any bills for the subject matter in the form mandated by the No-Fault regulation which require that proof of claim be submitted within 45 days of the date that the services are rendered. Specifically, my search of State Farm's files revealed that there were no bills submitted by Floral Park Physical Therapy PC related to services rendered or durable medical equipment provided to DT for date(s) of service 8/16/18-8/29/18 for \$471.20, which is/are noticed in applicant's AR-1 packet.

I have been advised by counsel that failure to submit proof of claim within the statutory timeframe is grounds for dismissal.

I hereby authorize facsimile copies of my signature to be considered as originals.

If a denial of claim premised on the health care provider's failure to submit its claim form to the insurer within 45 days informed the provider that it could excuse the delay if the provider provided written justification for the delay, and the provider does not establish that it provided the insurer with the written justification for the untimely submission, the insurer should be granted judgment. AR Medical Rehabilitation, P.C. v. MVAIC, 27 Misc.3d 135(A), 910 N.Y.S.2d 760 (Table), 2010 N.Y. Slip Op. 50828(U), 2010 WL 1910908 (App. Term 2d, 11th & 13th Dists. May 10, 2010). There was no justification offered. The Applicant did not provide proof of mailing.

Based on the evidence before me the documents were not received by the Carrier and there's no obligation to pay them.

5. Optional imposition of administrative costs on Applicant.
Applicable for arbitration requests filed on and after March 1, 2002.

I do NOT impose the administrative costs of arbitration to the applicant, in the amount established for the current calendar year by the Designated Organization.

6. I find as follows with regard to the policy issues before me:

- ☐ The policy was not in force on the date of the accident
- ☐ The applicant was excluded under policy conditions or exclusions
- ☐ The applicant violated policy conditions, resulting in exclusion from coverage
- ☐ The applicant was not an "eligible injured person"
- ☐ The conditions for MVAIC eligibility were not met
- ☐ The injured person was not a "qualified person" (under the MVAIC)
- ☐ The applicant's injuries didn't arise out of the "use or operation" of a motor vehicle
- ☐ The respondent is not subject to the jurisdiction of the New York No-Fault arbitration forum

Accordingly, the claim is DENIED in its entirety

This award is in full settlement of all no-fault benefit claims submitted to this arbitrator.

State of New York

SS :

County of Madison

I, Mary Anne Theiss, do hereby affirm upon my oath as arbitrator that I am the individual described in and who executed this instrument, which is my award.

12/09/2021
(Dated)

Mary Anne Theiss

IMPORTANT NOTICE

This award is payable within 30 calendar days of the date of transmittal of award to parties.

This award is final and binding unless modified or vacated by a master arbitrator. Insurance Department Regulation No. 68 (11 NYCRR 65-4.10) contains time limits and grounds upon which this award may be appealed to a master arbitrator. An appeal to a master arbitrator must be made within 21 days after the mailing of this award. All insurers have copies of the regulation. Applicants may obtain a copy from the Insurance Department.

ELECTRONIC SIGNATURE

Document Name: Final Award Form
Unique Modria Document ID:
f7459be7f2cdbdd8c020829b41f429f1

Electronically Signed

Your name: Mary Anne Theiss
Signed on: 12/09/2021