

American Arbitration Association  
New York No-Fault Arbitration Tribunal

In the Matter of the Arbitration between:

ASM Diagnostic Inc.  
(Applicant)

- and -

Electric Insurance Company  
(Respondent)

AAA Case No. 17-22-1274-9978

Applicant's File No. DK22-310083

Insurer's Claim File No. 20220706A17

NAIC No. Self-Insured

**ARBITRATION AWARD**

I, Anne Malone, 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: EIP

1. Hearing(s) held on 06/27/2024  
Declared closed by the arbitrator on 06/27/2024

Jennifer Rabeb, Esq. from Korsunskiy Legal Group P.C. participated virtually for the Applicant

Todd Hyman, Esq. from Carman, Callahan & Ingham, LLP participated virtually for the Respondent

2. The amount claimed in the Arbitration Request, **\$538.96**, 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 33 year old EIP reported involvement in a motor vehicle accident on July 5, 2022; claimed related injury and underwent a duplex scan of the extracranial arteries on August 10, 2022 and miscellaneous diagnostic testing provided by the applicant on August 17, 2022.

The applicant submitted a claim for the technical component for these medical services, payment of which was timely denied by the respondent based upon a peer review by Stuart Stauber, M.D. dated October 27, 2022. In response, the

applicant submitted a rebuttal dated May 20, 2024 by Hong Pak, M.D. who was not one of the EIP's treating medical providers. Dr. Stauber submitted an addendum dated June 13, 2024.

**The issue to be determined at the hearing is whether the respondent established that the medical services at issue were not medically necessary.**

#### 4. Findings, Conclusions, and Basis Therefor

This hearing was held on Zoom and the decision is based upon the documents reviewed from the Modria File as well as the arguments made by counsel and/or representative at the arbitration hearing. Only the arguments presented at the hearing are preserved in this decision; all other arguments not presented at the hearing are considered waived.

In order to support a lack of medical necessity defense respondent must "set forth a factual basis and medical rationale for the peer reviewer's [or examining physician's] determination that there was a lack of medical necessity for the services rendered." Provvedere, Inc. v. Republic Western Ins. Co., 2014 NY Slip Op 50219(U) (App. Term2d, 11<sup>th</sup> and 13<sup>th</sup> Jud. Dists. 2014.) Respondent bears the burden of production in support of its lack of medical necessity defense, which if established shifts the burden of persuasion to applicant. See Bronx Expert Radiology, P.C. v. Travelers Ins. Co., 2006 NY Slip Op 52116 (App. Term 1<sup>st</sup> Dept. 2006.)

The Civil Courts have held that a defendant's peer review or report of medical examination must set forth more than just a basic recitation of the expert's opinion. The trial courts have held that a peer review or medical examination report's medical rationale will be insufficient to meet respondent's burden of proof if: 1) the medical rationale of its expert witness is not supported by evidence of a deviation from "generally accepted medical" standards; 2) the expert fails to cite to medical authority, standard, or generally accepted specifics as to the claim at issue, is conclusory or vague. See Nir v. Allstate, 7 Misc.3d 544 (N.Y. City Civ. Ct. 2005.)

In support of its contention that the medical services provided by the applicant were not medically necessary, respondent relies upon the report of the peer review by Dr. Stauber who reviewed the medical records of the EIP, noted the injuries claimed and the treatment rendered to him. Dr. Stauber considered possible arguments and justification for the need for the medical services at issue and determined that they were not warranted under the circumstances presented.

He specifically noted that the EIP was initially examined on July 11, 2022, six days post- accident and complained of injury to his lower back and bilateral knees, with positive findings and an impression of sprain injuries and internal derangement of the knees. He started a course of physical therapy.

Dr. Stauber discussed the standard of care for the documented sprain/strain/contusions, which did not involve referral for the multiple diagnostic testing/studies at issue. He discussed each of the tests/studies provided to the EIP and his reasons for finding that each was not medically necessary for him.

Dr. Stauber supported, with relevant medical literature, his opinion that the medical services provided to the EIP were not medically necessary.

Respondent has met its evidentiary burden. The peer review adequately sets forth the factual basis and medical rationale to support the conclusion that the medical services at issue were not indicated for this EIP at the time they were provided. Therefore, pursuant to Bronx Expert Radiology, *supra* the burden shifts to the applicant, which bears the ultimate burden of persuasion to establish that the medical services at issue were medically necessary.

In opposition to the peer review, the applicant presented a rebuttal by Dr. Pak who reviewed the EIP's medical records, disagreed with the conclusions reached by Dr. Stauber discussed in detail the injuries sustained by the EIP and the treatment rendered to him. Dr. Pak reviewed each study/test provided to the EIP and his reasons for determining that each was medically necessary based on the complaints of lower back and right knee pain.

Dr. Pak discussed the general uses of the miscellaneous testing at issue as possible screening tools. Some of the benefits of this testing/studies are that they are generally non-invasive, well tolerated helpful in diagnosis and inexpensive.

Dr. Pak supported, with relevant medical citations, his opinion that the medical services at issue are generally beneficial but did not sufficiently establish that these specific testing/studies were medically necessary for this particular EIP based on the injuries he sustained as a result of the subject accident.

After a review of all the evidence submitted an issue of fact remains as to whether the services rendered are medically necessary. Conflicting opinions have been presented in the peer review by Dr. Stauber and the rebuttal by Dr. Pak on behalf of the applicant.

In this instance, Dr. Pak did not submit a rebuttal which meaningfully rebuts the findings of Dr. Stauber as it relates to this particular EIP. In addition, the medical reports submitted do not contradict his assertions.

Based on the foregoing, I find that the respondent established that the medical services at issue were not medically necessary.

**Accordingly, the claim is dismissed with prejudice.**

Based on the foregoing, I find that the respondent has failed to establish that the medical services at issue were not medically necessary.

Any further issues submitted in the record are held to be moot and/or waived insofar as they were not raised at the time of this hearing. This decision is in full disposition of all claims for no-fault benefits presently before this Arbitrator.

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 CT

SS :

County of Fairfield

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

07/22/2024  
(Dated)

Anne Malone

### **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:**  
c7caf7cb7e73c42a461e6b3f0646471c

### Electronically Signed

Your name: Anne Malone  
Signed on: 07/22/2024