

BULLETIN 2023-1

TO: Insurance Carriers Offering Health Insurance Policies
FROM: Jon Godfread, Commissioner 
DATE: March 1, 2023
SUBJECT: Denial of Long-Term Care or Nursing Home Benefits based on Facility Licensure

This Bulletin applies to all health insurance companies issuing and administering long-term care policies. The Insurance Department issues this Bulletin as a supplement and reiteration of the past Bulletin 1991-2, available at <https://bit.ly/1991-2>.

Insurance companies issuing and administering long-term care policies in North Dakota must recognize that consumers residing within a basic care facility can be receiving not only custodial care but also intermediate care. Accordingly, insurance companies and administrators determining benefits under a long-term care policy must include a review and consideration of the patient's medical records and the level of care the patient is receiving, such as activities of daily living standards or cognitive impairment criteria, on a case-by-case basis prior to denial of a claim or other benefits. Companies are prohibited from denying claims or benefits based solely on the type of facility, such as care within a "basic care facility".

As stated in bulletin 1991-2, the Department considers the practice of denying claims based solely on facility type as a violation of the Unfair Claim Settlement Practices Act, found in Section 26.1-04-03(9) of the North Dakota Century Code.

This Bulletin is in effect until rescinded by the North Dakota Insurance Commissioner. If you have any questions about this Bulletin, please contact Chrystal Bartuska, Division Director, Life/Health/Medicare at 701-328-2441.

