Introduction to MIB

Joel Weiner, MD, FACP
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Objectives

- Review the history of MIB and its role in fraud detection.
- Review the services provided by the Medical Information Bureau (now MIB, Inc.)
- Discuss obligations and procedures for accessing and reporting information to the MIB
- Discuss responsibilities and procedures for addressing disputed and inaccurate information on record at the MIB
History

- 1902
  - Created by medical directors
  - Governed by a sub-committee of the Association of Life Insurance Medical Directors of America (ALIMDA) to 1945
- 1946
  - Became unincorporated association under New York law
- 1978
  - MIB incorporated (no longer Medical Information Bureau)
MIB Group, Inc.

- 1999 MIB Group, Inc.
  - Holding Company with two subsidiaries
    - MIB, Inc.
    - MIB Solutions
MIB Group, Inc.

- Membership corporation
  - Owned by ~420 member insurance companies
    - In US and Canada (branching out to Caribbean)
  - MIB has not been capitalized through the issuance of stock
    - MIB has no shareholders
    - MIB’s members are the ultimate beneficial owners of the corporation
Services

MIB, Inc

- Underwriting Services
  - MIB Checking Service (MIB)
  - Plan F Follow Up Service (PLF)
  - Insurance Activity Index (IAI)
  - Disability Insurance Records Service (DIRS)

MIB Solutions

- Actuarial & Statistical Services
  - Life Statistical Services
  - Audit Re-Focus (reinsurers only)
  - Risk Analytics
    - MRAC
    - Mortality studies
How Much Information?

- 2014
  - 11 million MIB Searches
  - Over 2.9 million new reports added to the Checking Service database

- Currently
  - 80,000 transactions processed each day
  - 26% - Average Checking Service reply ratio
  - Over 47 million codes in the database
    - On over 24 million individuals
    - (Codes currently drop after seven years)
Fraud Detection

- MIB protects against fraud
  - Life, health (med supp), disability income, critical illness and long-term care insurance
- MIB has confidential information
  - Reported by participating member companies
  - Pertinent to health and longevity
  - Obtained from underwriting requirements
  - No decisions, ratings, claim decisions, health claim info
- MIB codes are alerts only
Changing Demographics

Aging Applicants

- 2002: Dark blue bars
- 2014: Light yellow bars

Age groups:
- 0—19
- 20—29
- 30—39
- 40—49
- 50—59
- 60—69
- 70+

Year:
- 2002
- 2014
Source Letters on Codes Reported to MIB

- Proposed Insured
- Labs/Exam
- APS's

Years: 2004 to 2013

Values:
10 1500000 1700000 1900000 2100000 2300000 2500000 2700000
Cholesterol and Total Chol/HDL Ratio

- Cholesterol
- Total Chol/HDL ratio

Graph showing the trend of cholesterol and total cholesterol to HDL ratio.
Tobacco, Nicotine and Cotinine

Tobacco user
Positive Cotinine

2007 2008 2009 2010 2011 2012 2013

Tobacco, Nicotine and Cotinine
Confidential and Protected

- MIB is a nationwide specialty consumer reporting agency
  - Governed by the Fair Credit Reporting Act (FCRA)
  - Enforced by the Federal Trade Commission
- Other privacy laws are applicable (PIPEDA, NAIC, HIPAA, etc.)
- Each participating company must have a medical director (exceptions may apply at MIB’s discretion)
  - Medical director or their designee is responsible for meeting MIB requirements including coding, confidentiality, and disputed accuracy
Requesting MIB codes

- Only available to participating member companies
- Required for requesting MIB report
  - All three must be obtained
    1. Pre-Notice furnished to the applicant
    2. Application with health/medical declarations
    3. Signed MIB authorization
      - Electronic signatures can be used
- MIB reports cannot be obtained
  - Trial applications (unless application/authorization is obtained)
  - Inquiry (isolated)
  - Evaluating a potential client
MIB Codes Are Alerts

- MIB codes are used to detect possible fraud
- MIB information is an alert
  - Information must be obtained by the company to confirm the codes
  - An adverse action (declined, rated, postponed) must not be based solely on an unverified MIB report without an independent investigation
Post-Notice

- Written notification is sent to client when an MIB report resulted in an investigation that led to an adverse action
  - Rule C4
- An applicant must be given a written Post Notice when all of the following occur:
  1. Any (applicable) information was received from MIB, and
  2. The information was used to alert to the possible need for further investigation of the applicant’s insurability as required by Rule D.4.(a), and
  3. The application for insurance was rated or declined (or postponed) in whole or in part because of information obtained from that investigation
Resources

- MIB Coding Manual (on-line or paper available)
- Member Directory (listing of members)
- MIB Primer (available in pdf)
- MIB Training Program
  - Computer: Slides & audio
- KnowledgeNow
  - Restricted on-line access – need digital certificate
MIB Coding

- Coding manual is confidential and proprietary
  - It cannot be reproduced in manuals or other publications
    - This helps to keep the coding confidential
  - It should not be produced in litigation or provided to state insurance departments
- MIB coding helps to protect the confidentiality of the personal health information submitted
Reporting MIB Codes

- Conditions that are significant to health and longevity
  - Using information obtained by the company
    - Application
    - Testing: paramedical exam, blood, urine, EKG’s, OFT, etc.
    - Medical records
    - Information from the proposed insured (e.g. phone interview)
Requesting Code Details

- What if you are unable to confirm MIB codes?
  - Options
    - Request details from reporting company
      - Examples
        - Drug test results when drug test (your company performed) is negative
        - Medical records or the source of the medical records
        - Reporting company decides what they will share
          - Could share the contact info of source or copies of lab/APS, etc.
    - If getting info from other company or source unsuccessful
      - Have the applicant request disclosure of their MIB Consumer File and the proposed insured can send it to you with details
        - This puts the responsibility on the proposed insured
        - And gives the proposed insured the opportunity to correct the MIB code if it is not accurate
Disclosure & Disputed Accuracy

- Individuals can contact MIB to get their MIB report if one exists
- Consumers can request their MIB records on MIB website (mib.com) or through toll free number
  - MIB must respond within 15 calendar days
  - 2014
    - Over 25,000 completed requests
    - 2.4% resulted in a dispute.
    - 1.5% required changes to original report
Disclosure & Disputed Accuracy

- When a consumer disputes their MIB record
  - MIB asks reporting member company to investigate
  - Reporting company must confirm accuracy
    - Member company reviews underwriting file to ensure coding was accurate and complete
      - If inaccurate, make code correction, delete or supplement the code to make it complete
      - If review of the underwriting file is not sufficient to resolve the dispute, you must use reasonable effort to contact the original source of information
      - If requested by the consumer, you must use reasonable effort to contact information sources that they provide, e.g. another physician
      - If individual still disputes code accuracy, they can file a statement of dispute with MIB
MIB Audits

- MIB performs audits
  - Is MIB information
    - kept confidential
    - accurate
  - Are decisions being made solely on MIB codes
  - Are investigations of disputed codes properly done
  - Documented proper completion
    - Informed consent to search as well as report
    - Pre-Notice given
    - Post-Notice sent if applicable
Example 1

- 54 year old male
  - Application: nothing significant admitted
  - All requirements for MIB report completed
  - Paramedical examination by age and amount rules
    - Very elevated blood pressure
  - MIB code positive for significant medical history (not hypertension) that is not admitted on the application or revealed otherwise

- Do you need more information for the MIB code?
  - If you would decline based on the BP readings (regardless of the MIB code) then you can decline
  - If the MIB code could materially change the decision you must investigate the code unless you choose to ignore the MIB code
    - You do not have to investigate an MIB code if you choose not to use it
      - You must be able to defend that you would have reached the same decision/taken the same action if you had not had the MIB code
Example 2

• 43 year old female
  • Application: nothing significant admitted
  • All requirements for MIB report completed
  • MIB code for medical condition that you consider very significant
  • You investigate appropriately: find nothing significant
    • Appropriate investigation is reasonable effort to obtain information alerted to by MIB code
      • This could be medical records, paramedical exam, blood urine or oral fluid testing

• What action can you take?
Example 2 continued

- You can “request code details” from the company that reported the MIB code
- Or, advise the proposed insured to obtain a copy of his/her MIB Consumer File and send it, along with the details, to you.
Plan F

- Alerts you to conditions that may not have been disclosed on original application for two years following your initial inquiry
  - Covers contestable period
- MIB report can be used to investigate
  - Authorization is still valid for 2 years
  - Information must be obtained to take action, e.g. rescission
- Plan-F Filter – Gives ability to receive only those codes that you consider significant (policies you may rescind).
Insurance Activity Index (IAI)

- Used for potential overinsurance
- Shows all application activity for the prior two years.
- IAI shows:
  - Line of business (e.g. life, DI, LTC, CI)
  - Type of request (e.g. new business, contestable claim)
  - Carrier type (e.g. direct writer vs. reinsurer)
  - Policy form (e.g. individual vs. group coverage)
  - Producer type (e.g. agent vs. broker)
  - Date of request
Questions?