

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Before the Director of Insurance and Financial Services

In the matter of:

██████████,
Petitioner,

v

File No. 151632-001

Blue Cross Blue Shield of Michigan,
Respondent.

Issued and entered
this 21st day of January 2016
by Randall S. Gregg
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

██████████ (Petitioner) was transported by air ambulance. His health insurer, Blue Cross Blue Shield of Michigan (BCBSM) covered the transport but only paid a portion of the provider's charge for the service.

On January 8, 2016, the Petitioner filed a request with the Director of Insurance and Financial Services for an external review of BCBSM's decision under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.* The Director accepted the case for review on January 15, 2016.

The Petitioner receives health care benefits through a group plan that is underwritten by BCBSM. The Director immediately notified BCBSM of the external review request and asked for the information it used to make its final adverse determination. BCBSM provided its response on January 19, 2016.

The issue in this external review can be decided by a contractual analysis. The Director reviews contractual issues pursuant to MCL 550.1911(7). This matter does not require a medical opinion from an independent review organization.

II. FACTUAL BACKGROUND

The Petitioner's health care benefits are defined in BCBSM's *Simply Blue Group Benefits Certificate SG*¹ (the certificate).

On June 4, 2015, the Petitioner was transported by rotary wing air ambulance from [REDACTED] in [REDACTED], Ohio, to the [REDACTED], [REDACTED]. The ambulance provider, [REDACTED], does not participate with BCBSM or a local Blue Cross or Blue Shield plan in [REDACTED]. The charge for the transport was \$48,217.20.

BCBSM's approved amount for the service was \$14,417.84 and it paid that amount to the Petitioner. This left the Petitioner responsible for the difference between BCBSM's approved amount and Medflight's charge.

The Petitioner appealed through BCBSM's internal grievance process. At the conclusion of that process, BCBSM issued a final adverse determination dated November 19, 2015, affirming its original decision. The Petitioner now seeks a review of that final adverse determination from the Director.

III. ISSUE

Is BCBSM required to pay an additional amount for the Petitioner's air ambulance transport?

IV. ANALYSIS

Petitioner's Position

In the external review request, the Petitioner wrote:

BCBS of Michigan not paying for a service that is covered in my plan to the full extent or amount. . . . [D]ue to an emergency / life threatening issue I was not able to choose a participating air ambulance service. The closest / fastest service available at the time was called by the hospital.

The Petitioner says he negotiated with [REDACTED] and received its counter offer of \$22,000 for his transport. Therefore, he is seeking an additional \$7,582.16 from BCBSM (the difference between \$22,000.00 and BCBSM's initial payment of \$14,417.84).

¹ BCBSM form no. 911F, effective 2015.

BCBSM's Position

In its final adverse determination, BCBSM's representative told the Petitioner:

. . . After review, I confirmed the maximum payment available (\$14,417.84) was issued to you. Additional payment cannot be approved.

* * *

Our reimbursement of \$14,417.84 is the full allowed amount for procedure codes A0431 (ambulance service, conventional air services, transport, one way [rotary wing] and A0436 (rotary wing air mileage, per status mile).

The services in question were reported by [REDACTED]. This provider does not participate with BCBS. Page 157 of Section 7: Definitions of the certificate explains that nonparticipating providers are physicians and other health care professionals, or hospitals and other facilities or programs that have not signed a participating agreement with BCBSM to accept the approved amount as payment in full. This means they may or may not choose to accept the BCBS approved amount as payment in full for your air ambulance service.

While I empathize with your situation and understand you had no control over the choice of provider, we must administer your benefits in accordance to the terms of your coverage. Our maximum reimbursement of \$14,417.84 was issued to you and additional payment cannot be approved.

Director's Review

Air ambulance transport is a benefit under the certificate when certain conditions are met (pp. 19-20). There is no dispute in the record that the Petitioner met the criteria for air ambulance transport. The only dispute is over the amount BCBSM paid for the service.

The certificate (p. 17) says that BCBSM pays its "approved amount" for services that are covered in the certificate, including air ambulance transport. "Approved amount" is defined (p. 142) as

[t]he lower of the billed charge or our maximum payment level for the covered service. Copayments and/or coinsurance and deductibles, which may be required of you, are subtracted from the approved amount before we make our payment.

BCBSM's maximum payment level for the air transport was \$14,417.84; because that amount was lower than the provider's charge of \$48,217.20, it became BCBSM's "approved amount" for the transport.

██████████ is not a participating provider; i.e., it “has not signed a participation agreement with BCBSM to accept our approved amount as payment in full” (certificate, p. 157). Consequently, Medflight may bill the Petitioner “for any differences between their charges and [BCBSM’s] approved amount” (certificate, p. 8). There is nothing in the certificate or in state law that requires BCBSM to pay more than its approved amount, even when the service is provided on an emergency basis, there was no participating provider available, or the patient had no choice in which provider was used.

In this case, BCBSM paid its approved amount for the Petitioner’s air ambulance services; it is not required to pay any additional amount. The Director finds that the amount BCBSM paid was consistent with the terms and conditions of the certificate.

V. ORDER

The Director upholds BCBSM’s final adverse determination of November 19, 2015.

This is a final decision of an administrative agency. Under MCL 550.1915, any person aggrieved by this order may seek judicial review no later than 60 days from the date of this order in the circuit court for the Michigan county where the covered person resides or in the circuit court of Ingham County. A copy of the petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of General Counsel, Post Office Box 30220, Lansing, MI 48909-7720.

Patrick M. McPharlin,
Director

For the Director:



Randall S. Gregg
Special Deputy Director