

**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. 149308-001

**Blue Cross Blue Shield of Michigan**  
**Respondent**

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**Issued and entered**  
this 31<sup>st</sup> day of August 2015  
by **Randall S. Gregg**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

On August 11, 2015, ██████████ the father and authorized representative of ██████████ (Petitioner), filed a request with the Director of Insurance and Financial Services for an external review under MCL 550.1951 et seq. On August 18, 2015, after a preliminary review of the information submitted, the Director accepted the request.

The Petitioner receives health care benefits as a dependent through an employer group plan underwritten by Blue Cross Blue Shield of Michigan (BCBSM). The benefits are described in BCBSM's *Community Blue Group Benefits Certificate LG*. The Director notified BCBSM of the external review request and asked for the information it used to make its final adverse determination. The Director received BCBSM's response on August 27, 2015.

This case presents an issue of contractual interpretation. 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, who is ██████ years old, has been diagnosed with autism spectrum disorder. His family lives in ██████████ Their health benefits are provided by BCBSM through the Michigan employer of the Petitioner's father. The Petitioner received treatment at ██████████ He was treated there between January

5, 2015 and June 26, 2015. [REDACTED] charged \$37,440.00 (\$360.00 per therapy session) for the treatment during that time. Claims were submitted to BCBSM through Blue Cross Blue Shield of [REDACTED]. BCBSM denied coverage.

The Petitioner's father appealed the denial through BCBSM's internal grievance process. At the conclusion of that process, BCBSM issued a final adverse determination dated July 13, 2015, affirming its denial. The Petitioner now seeks a review of that final adverse determination from the Director.

### III. ISSUE

Did BCBSM correctly deny coverage for the Petitioner's treatment at [REDACTED]  
[REDACTED]

### IV. ANALYSIS

#### BCBSM's Argument

In its final adverse determination, BCBSM wrote to the Petitioner's father:

This letter is in response to your appeal and will inform you of the outcome of your managerial-level conference conducted on June 18, 2015. The purpose of the conference was to discuss denial of payment for services reported as procedure code S9480 (intensive outpatient psych., per diem). After review, I confirmed that your Plan does not cover the reported procedure. You are responsible for the non-covered charges (\$37,440.00).

As a Grievance and Appeals Coordinator, I reviewed the claims, your appeal, and [Petitioner's] health care plan benefits for Blue Cross Blue Shield of Michigan (BCBSM). The *BCBSM Benefit Package Report*, the report used to house procedure-specific coverage information for your Plan, explains that procedure code S9480 is not a covered benefit. Therefore, because this service is not covered by your Plan, we cannot approve payment.

From the managerial-level conference and your letter, I understand that you disagree with this determination. However, claim payment determinations are made according to the terms and conditions of coverage, and I cannot make an exception on your behalf...

#### Petitioner's Argument

In his request for an external review, the Petitioner's father wrote:

[Petitioner] is getting services from [REDACTED] Center and previous insurance (Aetna) covered day treatment (S9480-procedure code) without any issues....

January 2015 onwards we changed to BCBS as we heard from my employer that this is better insurance than previous. We just came to know that the provider [REDACTED] [REDACTED] Center day treatment (S9480 provider code) is not [covered] by BCBS and we got EOB statement. As per our enquiry in [REDACTED] and medical doctor [REDACTED] from [REDACTED] said that this provider and day treatment is very good and helpful for autism children so we joined. My son also used to this treatment routine since almost 11 months (Note: he is not flexible to transitions/new changes immediately). We (parents) and doctors saw the good improvement through day treatment by provider [REDACTED] Center.' We [would] like to continue services from [REDACTED] to stabilize improvement and to increase social communication....

My son is not getting services now....BCBS Insurance customer people said that they are able to pay claims if [REDACTED] Center changes their bill code S9480 to other. But as per rules, [REDACTED] Center cannot change their treatment code. Please consider our concern and please resolve this issue.

In a letter dated January 21, 2015, the Petitioner's doctor wrote:

[Petitioner] has a medical diagnosis of Autism Spectrum Disorder. He was initially seen in February of 2014 and started intensive day treatment at [REDACTED] [REDACTED] Center in September of 2014. He has made progress in social communication but will continue to require intensive day treatment as well as supplemental speech and occupational therapy to optimize developmental potential.

#### Director's Review

BCBSM's *Community Blue* certificate (pages 55-59) covers mental health services when billed by a participating facility. The certificate covers treatment for autism (pages 26-27) with prior authorization.

BCBSM's medical policy titled, *Applied Behavior Analysis for Autism Spectrum Disorder* provides guidelines for coverage of autism treatment and includes a list of the procedure codes related to autism treatment. Procedure code S9084, which the provider used to describe the treatment provided to the Petitioner, is not a listed code.

BCBSM denied coverage on the basis the claims were submitted with a procedure code that is not approved for coverage. Therefore, the Director finds that BCBSM's denial of coverage for the Petitioner's intensive outpatient psychiatric services is consistent with the terms of the certificate, the BCBSM Benefit Package Report and the change document.

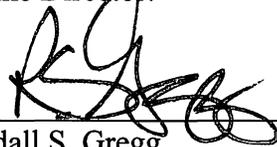
**V. ORDER**

The Director upholds BCBSM's final adverse determination of July 13, 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 sixty 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:

  
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Randall S. Gregg  
Special Deputy Director