

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. 150079-001

Blue Cross Blue Shield of Michigan,

Respondent.

Issued and entered
this *28th* day of October 2015
by Randall S. Gregg
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

██████████ (Petitioner) was denied coverage for a cranial prosthesis¹ by her health plan, Blue Cross Blue Shield of Michigan (BCBSM).

On September 28, 2015, she filed a request with the Director of Insurance and Financial Services for an external review of that denial under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.* On October 5, 2015, after a preliminary review of the information submitted, the Director accepted the request.

The Petitioner receives health care benefits through an individual 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. The Director received BCBSM's response on October 8, 2015.

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

¹ A cranial (or hair) prosthesis is a custom made wig designed for patients who have lost their hair as a result of medical conditions or treatment. It is an item of durable medical equipment.

The Petitioner's health care benefits are defined in BCBSM's *Blue Cross Premier Gold Extra Benefits Certificate* (the certificate).

After the Petitioner lost her hair as a result of chemotherapy, her physician prescribed a cranial prosthesis. She purchased the prosthesis from a nonparticipating provider on June 15, 2015. The cost was \$6,412.00. When she sought reimbursement for the cost, BCBSM denied coverage, saying the prosthesis was not a benefit under the terms of the certificate.

The Petitioner appealed the denial through BCBSM's internal grievance process. At the conclusion of that process, BCBSM issued a final adverse determination dated September 14 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 hair prosthesis?

IV. ANALYSIS

Petitioner's Argument

On the external review request form the Petitioner wrote:

I was told on multiple occasions that my cranial prosthesis would be covered by my insurance plan. I was told by my insurance agent . . . and on 3 different phone conversations with Blue Cross. Now I am being told otherwise. The resolution that I am requesting is holding Blue Cross to their word, especially considering I relied on their word to my detriment.

The Petitioner also included with her request a letter dated July 29, 2015, that she had sent to BCBSM:

I am a cancer patient through ██████████ Cancer Center. I had a full hysterectomy on May 4th and had SOME of my cancer was removed robotically. My Oncologist . . . informed me after my surgery that I would have to undergo six rounds of chemotherapy. To my dismay, this would include me losing my hair. At that point [my oncologist] was kind enough to write me a prescription for a Cranial Prosthesis. I contacted Blue Cross the week of May 11th 11th to ensure that my prescription would be covered, and was told that I would have to pay a thousand dollar deductible but would be reimbursed 40/60. To be certain, I contacted my insurance agent . . . and he reassured me that my policy includes what Blue Cross had promised. I proceeded to pay in-full for my wig and turned in my claim on June 18th. I patiently waited for reimbursement and was told that

the reason for the delay was due to coding issues. At that point I was asked to re-submit the claim using the code D5924. After patiently waiting again, I then proceeded to follow up with Blue Cross. I spoke to a woman named Sarah, and she informed me that she had every intention of handling this issue, considering I am undergoing a lot of stress. She then proceeded to call me and tell me that the claim did not go through and I was allowed to file an appeal. . . .

Keep in mind, the exact definition of Cranial Prosthesis is a custom made wig, specifically defined for patients who have lost their hair as a result of medical conditions or treatments such as CHEMO THERAPY, or any other clinical disease or treatment resulting in hair loss!!!!!!! I WAS told by Blue Cross that my prescription must say Cranial Prosthesis! I was told by both my insurance agent and Blue Cross that my wig would be covered! . . .

BCBSM's Argument

In its final adverse determination, BCBSM told the Petitioner:

. . . After review, I must maintain denial of payment for this service. Procedure code A9282 (wig, any type, each) is not covered under your contract. You remain liable for the non-covered charge of \$6,412.00.

You are covered under *Blue Cross Premier Gold Extra Benefits Certificate*. While you have coverage for prosthetic and orthotic devices, there are limitations on this coverage. On page 97 of your *Certificate* under **Section 3: What BCBSM Pays For: Prosthetic and Orthotic Devices**, it states "we do not pay for hair prostheses such as wigs, hair pieces, hair implants, etc."

I understand your concern regarding your liability for this service and that you made steps to plan for your out-of-pocket liability. In addition, the procedure code you reference in your letter is used for a dental prosthesis, and would not be appropriate in this instance. While I regret you may have received incorrect or misleading information from a BCBSM customer service representative, as a Grievance and Appeals Coordinator for BCBSM, it is my responsibility to ensure that the claim at issue processed according to Plan Design. As a result, I am not able to make an exception on your behalf.

Director's Review

The certificate has a benefit for prosthetic and orthotic devices (pp. 96-97). However, it also has this exclusion (p. 97):

We do not pay for:

- Hair prostheses such as wigs, hair pieces, hair implants, etc.

The certificate is clear: hair prostheses are not covered. On that basis, the Director finds that BCBSM correctly denied coverage for the Petitioner's hair prosthesis.

It is the Petitioner's complaint that she relied on incorrect information she received from BCBSM to make her decision to purchase the cranial prosthesis. Unfortunately, that is not an issue that can be resolved in a review under the Patient's Right to Independent Review Act (PRIRA). In this review, the Director may only decide if the Petitioner received the health care benefits to which she was entitled under the terms and conditions of the certificate; the Director has no authority to alter the terms of coverage.

The Petitioner may have other remedies outside of PRIRA for complaints that cannot be resolved in this Order.

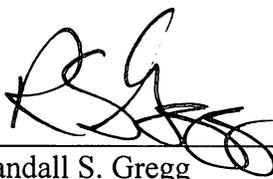
V. ORDER

The Director upholds BCBSM's final adverse determination of September 14, 2015.

This is a final decision of an administrative agency. 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 county where the covered person resides or 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