

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. 152006-001

Blue Cross Blue Shield of Michigan
Respondent

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

ORDER

I. PROCEDURAL BACKGROUND

On February 2, 2016, ██████████, authorized representative of ██████████ (Petitioner), filed a request with the Director of Insurance and Financial Services for an external review under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.* After a preliminary review of the material submitted, the Director accepted the request on February 9, 2016.

The Petitioner receives health care coverage through a group plan underwritten by Blue Cross Blue Shield of Michigan (BCBSM). The benefits are defined in BCBSM's *Simply Blue HRA Group Benefits Certificate SG*. The Director notified BCBSM of the request and asked for the information used to make its final adverse determination. BCBSM provided its response on February 17, 2016.

The issue in this external review can be decided by a contractual review. 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

From July 1, 2015 through September 30, 2015, the Petitioner received inpatient residential mental health treatment at ██████████ Treatment Center in ██████████. The amount charged for this care was \$51,980.00. BCBSM denied

coverage for this treatment.

The Petitioner appealed the denial through BCBSM's internal grievance process. At the conclusion of the process, BCBSM affirmed the denial in a final adverse determination issued December 22, 2015. The Petitioner now seeks the Director's review of that determination.

III. ISSUE

Did BCBSM correctly deny the Petitioner's mental health services provided at Solacium from July 1, 2015 through September 30, 2015?

IV. ANALYSIS

Petitioner's Argument

The Petitioner's representative stated in the request for an external review:

We do not agree with this decision as previously stated. We believe we are entitled to out of network benefits. The distinction of the Utah Network as well as participating vs. non-participating vs. out of network benefits is not something anyone would know or understand based on the information given by BCBSM. Very misleading. Further the facility was medically necessary and recommended by [the Petitioner's] physicians as the medical documents show.

Respondent's Argument

In the final adverse determination to the Petitioner's mother, BCBSM's representative wrote:

[Petitioner] is covered under the *Simply Blue HRA Group Benefits Certificate SG*. Page 55 (*Section 3: What BCBSM Pays For*), explains that residential psychiatric treatment is covered only after it has been preauthorized by BCBSM. It also explains that covered services must be provided by a facility that participates with its local Blue Cross Blue Shield (BCBS) plan. **We do not pay for services provided by a facility located outside of Michigan that does not participate with its local BCBS plan.**

Page 117 (*Section 4: How Providers Are Paid*), explains that when you receive covered services from an out-of-network provider, our payment to the provider and your payment responsibilities will be determined by whether the provider is participating or nonparticipating with BCBS. Page 157, (*Section 7: Definitions*), explains that a nonparticipating provider is a provider that has not signed a participating agreement with BCBS to accept the approved amount as payment in full for services provided.

As a courtesy to you, I contacted the Local Plan (Blue Cross Blue Shield of Utah) to confirm [REDACTED] Treatment Center's participation

status. The local Plan confirmed that [REDACTED] does not have a signed agreement with the Local Plan. Therefore, [REDACTED] is nonparticipating. Because [REDACTED] is a nonparticipating provider and because [Petitioner's] terms of coverage state that we do not pay for residential psychiatric treatment provided by a facility that does not participate with its local BCBS plan, we must maintain our claim determination.

During your managerial-level conference, you stated that you have out-of-network benefits and that [Petitioner's] services should be covered at the out-of-network benefit level. I understand your position. [Petitioner] does have out-of-network benefits for covered services. However, in this case [Petitioner's] terms of coverage explicitly state that we do not pay for residential psychiatric treatment provided by nonparticipating providers. Therefore, I am unable to honor your request for payment at the out-of-network benefit level.

Director's Review

As BCBSM notes in its final adverse determination, the *Simply Blue HRA* certificate of coverage, on page 55, describes the coverage available for residential mental health treatment:

Residential psychiatric treatment is covered only after it has been preauthorized by BCBSM or its representative. Covered services must be provided by a facility that participates with BCBSM (if located in Michigan) or with its local Blue Cross/Blue Shield plan (if located outside of Michigan).

BCBSM did not authorize the Petitioner's treatment in [REDACTED]. No such authorization would be given because the Petitioner's benefit plan, whose terms and conditions are found in the *Simply Blue HRA* certificate of coverage, excludes coverage for treatment by providers outside Michigan that do not participate with their own state's Blue Cross Blue Shield plan. The [REDACTED] Treatment Center does not participate with Blue Cross Blue Shield of [REDACTED].

The Petitioner's representative also argues that the treatment in question was medically necessary. The treatment the Petitioner received may have been medically necessary, however, there is no exception, based on medical necessity, to the coverage exclusion in the *Simply Blue HRA* certificate of coverage.

In conducting reviews under the Patient's Right to Independent Review Act (PRIRA), the Director is limited to resolving questions of medical necessity and determining whether an insurer's final adverse determination is consistent with the terms of the certificate of coverage. See MCL 550.1911(13).

████████████████████ Treatment Center does not participate with Blue Cross Blue Shield of ██████. Therefore, no coverage under the Petitioner's benefit plan is available for the residential psychiatric services provided to the Petitioner from July 1, 2015 through September 30, 2015 at that facility.

The Director finds that BCBSM's denial of coverage was consistent with the terms of the certificate.

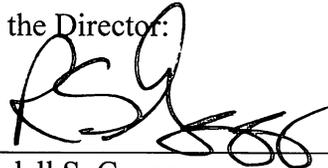
V. ORDER

The Director upholds BCBSM's December 22, 2015 final adverse determination. BCBSM is not required to provide coverage for the treatment the Petitioner received at ██████████ Treatment Center from July 1 through September 30, 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 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