

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. 152572-001

Blue Cross Blue Shield of Michigan
Respondent

Issued and entered
this 5th day of April 2016
by Sarah Wohlford
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On March 15, 2016, ██████████, authorized representative of his wife ██████████ (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.*

The Petitioner receives health care benefits through a group plan underwritten by Blue Cross Blue Shield of Michigan (BCBSM). The benefits are defined in BCBSM's *Community Blue Group Benefits Certificate LG*. The Director notified BCBSM of the external review request and asked for the information used to make its final adverse determination. BCBSM provided its response on March 22, 2016. The Director accepted the case for review on that date.

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

On July 15, 2015, the Petitioner collapsed and was taken to the nearest hospital, which was in ██████████, Michigan. Doctors detected bleeding in her brain and recommended she be moved to a larger hospital. The Petitioner's family elected to move her by air ambulance to St. Mary's Hospital in Saginaw, a distance of 36 miles by air and 40 miles by road.

Med Trans Corporation (Med Trans), a nonparticipating air ambulance provider, provided the rotary wing transport. The amount charged for the services was \$28,260.79. BCBSM's approved amount was \$7,406.22, and it paid that amount to the Petitioner. Because Med Trans does not participate with BCBSM, it is not obligated to accept BCBSM's approved amount as payment in full and may bill Petitioner for the balance of its charge.

The Petitioner appealed the amount paid by BCBSM through BCBSM's internal grievance process. At the conclusion of that process, BCBSM issued a final adverse determination dated December 29, 2015, affirming its decision. The Petitioner now seeks the Director's review of that final adverse determination.

III. ISSUE

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

IV. ANALYSIS

Petitioner's Position

In a letter filed with the external review request, the Petitioner's husband wrote:

I am writing this letter on behalf of my wife [the Petitioner]. She suffered a traumatic brain injury July 15, 2015. After collapsing she was taken to our local hospital. The doctor in the ER said she had a massive brain bleed and would need to be transferred. The doctor said they could not deal with the situation there. The doctor asked where we wanted her to go. Our family has always preferred St. Mary's in Saginaw. During this time the doctor was saying her pressure in her head was rising so we needed to move fast. St. Mary's is closer than the two hospitals that Gratiot [the medical center in █████] mentioned and time is crucial and the doctor mentioned transporting her. We asked what are our options the doctor said by ambulance or by flying, we all said fly her it would be quicker especially based on her condition. I also heard several medical personnel saying she is in a very delicate spot and she needs serious medical attention to relieve the building pressure. I was very concerned for my wife's life. It was all necessary to save her life.

The Petitioner's husband believes BCBSM should pay the full charge for the air ambulance.

BCBSM's Position

In the final adverse determination to the Petitioner, BCBSM stated:

Page 20 of **Section 3: What BCBSM Pays For** of the certificate further explains that we pay our approved amount for the services you received that are covered in

this certificate. As defined on Page 142 of **Section 7: Definitions** of the certificate, the approved amount is the lower of the billed charges and our maximum level for covered services.

Our reimbursement of \$7,406.22 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 statute mile).

The services in question were reported by Med Trans Corporation. 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.

Director's Review

Air ambulance transport is a benefit under the certificate when certain conditions are met (page 22). 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 (pages 16-23) 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.

In this case, BCBSM approved and paid its full approved amount of \$7,406.22 as its maximum amount for the Petitioner's July 15, 2015, air ambulance services.

Med Trans 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, Med Trans 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 and 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.

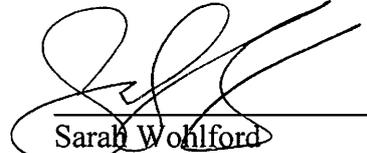
V. ORDER

The Director upholds BCBSM's final adverse determination of December 29, 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:



Sarah Wohlford
Special Deputy Director