

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. 147065-001

Blue Care Network of Michigan,

Respondent.

Issued and entered
this 22nd day of April 2015
by Randall S. Gregg
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On March 31, 2015, ██████████ (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 group health care benefits from Blue Care Network of Michigan (BCN), a health maintenance organization. The Director immediately notified BCN of the external review request and asked for the information it used to make its final adverse determination. The Director received BCN's response on April 2, 2015, and after a preliminary review of the material submitted, the Director accepted the request on April 7, 2015.

The issue in this external review can be decided by contractual analysis. The Director reviews contractual issues under 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 were defined in the *BCN Classic for Large Groups Certificate of Coverage* (the certificate). Her coverage under the certificate ended on December 31, 2014.

Early in 2014 the Petitioner was referred for physical therapy (PT) because of pain she was experiencing in her right shoulder. The therapy, between January 31 and April 1, 2014, did improve function and decrease pain for a while, but the Petitioner eventually required surgery for a torn rotator cuff and bone spur in her shoulder. The surgery was performed in November 2014.

Following the surgery, additional outpatient PT was recommended. The Petitioner received the PT at ██████████ Hospital from November 14 through December 22, 2014 (eleven visits). The charge for this therapy was \$898.95.

BCN declined to cover this PT, saying the Petitioner had exhausted her outpatient PT benefit for the 2014 calendar year. The Petitioner appealed the denial through BCN's internal grievance process. At the conclusion of that process, BCN maintained its denial and issued a final adverse determination January 30, 2015. The Petitioner now seeks a review of that final adverse determination from the Director.

III. ISSUE

Did BCN correctly deny coverage for the Petitioner's PT from November 14, 2014 through December 22, 2014?

IV. ANALYSIS

Petitioner's Argument

On the external review request form the Petitioner wrote:

Health insurance provider, Blue Care Network of Michigan, has denied coverage of any physical therapy visits following my 11/13/14 surgery date for right shoulder rotator cuff repair and bone spur removal. There were 11 dates of physical therapy services between 11/14/14 and 12/22/14. I am seeking resolution to the problem by having Blue Care Network cover these dates of service for physical therapy services.

Respondent's Argument

In its final adverse determination, BCN's representative explained its denial to the Petitioner:

We based our decision on your . . . Certificate, and your Physical Therapy benefit, which states you are allowed one period of treatment for any combination of therapies per benefit year. As your therapy benefit was exhausted, we could not approve this request.

Director's Review

The certificate (pp. 45-46) describes the outpatient physical therapy benefit:

8.17 Outpatient Therapy Services

Outpatient therapy and/or Rehabilitative medicine services are services that result in meaningful improvement in your ability to perform functional day-to-day activities that are significant in your life roles, including:

- Medical rehabilitation – including but not limited to cardiac and pulmonary rehabilitation;
- Physical therapy;

- Occupational therapy;
- Speech therapy; and
- Biofeedback for treatment of medical diagnoses when Medically/Clinically Necessary, as determined according to BCN medical policies.

* * *

Benefit Maximum:

One period of treatment for any combination of therapies within 60 consecutive days per Calendar Year.

Rather than a visit limit for outpatient therapy, the certificate limits treatment for any combination of therapies (medical, physical, speech, occupational, biofeedback) to one period of 60 consecutive days in a calendar year, beginning on the first day of any outpatient therapy treatment.

The Petitioner began her PT on January 31, 2014. Therefore, her outpatient therapy benefit ended 60 days later, or on April 1, 2014. No more outpatient therapy of any kind, including PT, would be covered after April 1, 2014, even if it was medically necessary or even if the Petitioner had a new condition or an exacerbation of symptoms. The benefit does not renew under any circumstances until the new calendar year.

The Director therefore concludes and finds that BCN's denial of coverage for the PT from November 14 through December 22, 2014, is consistent with the terms and conditions of the certificate.

V. ORDER

The Director upholds Blue Care Network's January 30, 2015, final adverse determination.

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.

Annette E. Flood
Director

For the Director:



Randall S. Gregg
Special Deputy Director