

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. 154016-001

Consumers Mutual Insurance of Michigan,

Respondent.

Issued and entered
this 24th day of June 2016
by Randall S. Gregg
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

██████████ (Petitioner) was dissatisfied with the way her health insurer, Consumers Mutual Insurance of Michigan (CMI), processed the claim for a scan that was performed in 2015.

On June 6, 2016, the Petitioner filed a request with the Director of Insurance and Financial Services asking for an external review of CMI's decision under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.* After a preliminary review of the material received, the Director accepted the request on June 13, 2016.

The Petitioner receives health benefits through a group plan that is underwritten by CMI. The Director immediately notified CMI of the external review request and asked for the information it used to make its final adverse determination. CMI responded on June 7, 2016.

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's health care benefits are described in a certificate of coverage issued by CMI (the certificate).

On November 9, 2015, the Petitioner had a HIDA [*hepatobiliary iminodiacetic acid*] scan. The scan, used to diagnose liver, gallbladder and bile duct problems, is an imaging procedure that uses a nuclear medicine scanner. The scan was performed by Dickinson County Healthcare System, an in-network hospital. CMI approved \$1,768.00 for this diagnostic service and applied that entire amount to the Petitioner's deductible.

The Petitioner appealed CMI's decision through its internal grievance process. At the conclusion of that process, CMI issued a final adverse determination dated May 24, 2016, explaining its decision. The Petitioner now seeks a review of that final adverse determination from the Director.

III. ISSUE

Did CMI correctly apply its approved amount for the HIDA scan to the Petitioner's deductible?

IV. ANALYSIS

Petitioner's Argument

The Petitioner believes the HIDA scan should be covered with only a \$500.00 copayment. On the external review request form the Petitioner said:

Seeking to get HIDA scan processed for only \$500 copay instead of owing \$1768.00. The hospital is not at fault because I found out it is a nuclear test. However, a HIDA scan was ordered so my policy states \$500.00 copay for scan! Consumers Mutual was going out of business so hospital unable to pre cert[ify] per Consumers Mutual. How would any person know if test states HIDA scan it would not be processed as a scan. Please help - that is a big difference in what I owe. Consumers Mutual plan should [have] been more explicit in their explanation of coverage. I had numerous problems with claims in 2015.

Respondent's Argument

In its final adverse determination, CMI's representative explained its decision:

In your appeal you state that the services were a "scan" and you referenced page 2 of your schedule of benefits. The item you reference does not provide cost sharing for "scans" rather, the item provides cost sharing for 3 specific types of high cost diagnostic procedures. The procedures are clearly listed as MRI, CT scan and PET scan. A HIDA scan is not considered a MRI, CT scan or PET scan. As a result, your services did not fall under any of these procedures.

In further investigating your appeal, we received the codes billed by the service provider. The service provider billed with codes R258, R341, R343, and R636. These procedure codes are used for outpatient services and according to your schedule of benefits, outpatient procedure codes are paid at 80% subject to the deductible. While we understand you felt that you were receiving a covered scan, the provider billed the services as outpatient procedures and we process the claims based on what the provider submits.

Finally, in your appeal you stated that you called in advance of the procedure “and stated having a ‘Hida Scan’ and they stated would process as a scan!” We reviewed all call notes from October 1st through the date of the procedure on November 9th. We found three calls from you during this period. There were calls on October 2nd and October 12th regarding claim 50224776-01 for a steroid shot for back pain and there was a call on October 26th related to a letter received from CMI about scheduling an annual appointment. We did not find any record of incorrect information being provided by CMI prior to the procedure being performed.

After reviewing all information, we cannot find any record of you being provided with inaccurate information prior to the procedure being performed. Further, we have reviewed the claims submitted by the provider and found that they were processed correctly.

Director’s Review

The Petitioner believes that the HIDA scan should be covered with only a \$500.00 copayment. She does not think that it is subject to her \$6,000.00 calendar year deductible. But the section in her plan’s “Schedule of Benefits” that she relies on (p. 2) indicates that only MRIs, CT scans, and PET scans are covered with only a \$500.00 copayment – there is no mention of a HIDA scan.

The HIDA scan was performed by the Dickinson County Healthcare System and was billed as a hospital outpatient service. The certificate (p. 22) says:

Radiology services and laboratory tests performed in a Hospital, while you are either an inpatient or an outpatient, are subject to the same Copayment and Deductible as Hospital services even if the service or test is ordered and partially performed in a Provider’s office.

The “Schedule of Benefits” (p. 2) says that hospital services are subject to the annual deductible. Therefore, the Director concludes that CMI correctly processed the claim for the HIDA scan under the terms and conditions of the certificate when it applied its allowed amount for the service to the Petitioner’s unmet annual deductible for 2015.

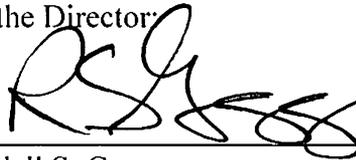
V. ORDER

The Director upholds CMI's May 24, 2016, 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.

Patrick M. McPharlin
Director

For the Director:

A handwritten signature in black ink, appearing to read 'RSG', is written over a horizontal line.

Randall S. Gregg
Special Deputy Director