

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. 147504-001

HealthPlus Insurance Company,

Respondent.

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Issued and entered  
this 26<sup>th</sup> day of May 2015  
by Randall S. Gregg  
Special Deputy Director

**ORDER**

**I. PROCEDURAL BACKGROUND**

On April 23, 2015, ██████████, on behalf of his ██████████ daughter ██████████ (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 as a dependent through an individual plan underwritten by HealthPlus Insurance Company (HealthPlus). The Director notified HealthPlus of the external review request and asked for the information it used to make its adverse determination. HealthPlus furnished its response on April 24 and April 27, 2015. After a preliminary review of the material received, the Director accepted the request on April 30, 2015.

To address the medical issue in this case, the Director assigned it to an independent medical review organization which provided its analysis and recommendation on May 14, 2015.

**II. FACTUAL BACKGROUND**

The Petitioner's health care benefits are defined in the HealthPlus *Signature PPO Individual Certificate of Coverage* (the certificate).

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<sup>1</sup> Born October 19, 2005.

The Petitioner has type 1 diabetes. Her doctor recommended a continuous glucose monitor (CGM) to track her glucose levels. HealthPlus denied the request for a CGM on the basis that the Petitioner does not meet its medical criteria for coverage of the device.

The Petitioner's father appealed the denial through the HealthPlus's internal grievance process. At the conclusion of that process, HealthPlus issued a final adverse determination dated April 16, 2015, affirming its denial. The Petitioner now seeks a review of that final adverse determination from the Director.

### III. ISSUE

Did HealthPlus correctly deny coverage for the Petitioner's continuous glucose monitor?

### IV. ANALYSIS

#### Respondent's Position

In a letter to the Petitioner's father dated March 31, 2015, HealthPlus explained its reasons for denying coverage for the CGM:

HealthPlus Insurance Company (HPI) staff have reviewed the grievance you submitted on behalf of [the Petitioner] requesting approval of a denied authorization request for a continuous glucose monitor (CGM) from [REDACTED]. Your case has been reviewed by a HPM Medical Director, a D.O. board certified in Family Practice. He has determined to uphold the denial.

His reason is based on your . . . Schedule of Benefits (SOB); section **Durable Medical Equipment (DME)**, which states

*Coverage for Medically Necessary equipment obtained from Preferred Providers.* [Underline added]

This is supported by HPI's Reference and Control (R&C) Processing Guideline, which states a CGM

*Is an acceptable alternative to standard insulin pumps for members with diabetes who have recurrent episodes of severe symptomatic hypoglycemia that occurs without warning.* [Underline added]

Documentation submitted by you, [the Petitioner's endocrinologist], and [REDACTED] indicates that [the Petitioner] has varied blood sugar readings. However, in order to meet medical necessity guideline requirements for coverage of the CGM, medical records must establish that [she] has documented recurrent episodes of severe asymptomatic hypoglycemia unawareness. Since severe

asymptomatic hypoglycemia unawareness has not been established, the denial has been upheld.

### Petitioner's Position

On the request for external review form, the Petitioner's father wrote:

On June 16, 2014, my now [REDACTED] daughter . . . was diagnosed with Type 1 Diabetes. Pursuant to her doctor's recommendation, on October 23, 2014, [she] requested a continuous glucose monitor receiver, transmitter and sensors ("CGM"). On or about October 29, 2014, [her] request for the cost of the CGM be paid by our insurance company, HealthPlus, was denied. In its denial, Health-Plus stated that [the Petitioner's] documentation did not demonstrate recurrent episodes of hypoglycemia and severe hypoglycemia that occurs without warning. However, pursuant to [her endocrinologist's] summary of [her] most recent examination, [she] does show evidence of increased hypoglycemia unawareness which is affecting her ability to concentrate in school. Furthermore . . . [her] mother and I are effectively preventing frequent hypoglycemia episodes through increased monitoring (up to 12 times per day and every 2-4 hours throughout the night). We are hereby requesting a determination that [REDACTED] CGM is a medical necessity and thus covered under our policy.

### Director's Review

The certificate (p. 31) covers medically necessary durable medical equipment like a CGM. To determine if a CGM is medically necessary in the treatment of the Petitioner's type 1 diabetes, the Director assigned this case to an independent review organization (IRO) as required by section 11(6) of the Patient's Right to Independent Review Act, MCL 550.1911(6).

The IRO physician reviewer is board certified in pediatric endocrinology, is familiar with the medical management of patients with the Petitioner's condition, and is in active practice. The IRO report included the following analysis and recommendation:

#### **Recommended Decision:**

The MAXIMUS physician consultant determined that the requested continuous glucose monitor is medically necessary for treatment of the member's condition.

#### **Rationale:**

\* \* \*

The member is insulin dependent and received her insulin via intensive insulin therapy with multiple daily injections up to 8 times per day. According to the information submitted for review, the member had to test her blood sugar up to 10

times per day, but despite this testing and treatment, her blood sugars fluctuated. A letter from the member's treating pediatric endocrinologist stated that her parents were effectively preventing episodes of hypoglycemia with increased monitoring during the day, as well as testing at night.

The MAXIMUS physician consultant explained that continuous glucose monitoring can play a significant role in preventing hypoglycemia. Unlike traditional blood glucose monitoring, which looks at only a few points in time, continuous glucose monitoring provides comprehensive data that track glucose levels 24 hours a day. The physician consultant indicated that this information allows patients to optimize their glycemic control and thus minimize the frequency and severity of hypoglycemic events. A recent study looked at accuracy, safety and clinical effectiveness of continuous glucose monitoring in 91 patients with Type 1 diabetes and found that subjects who wore a real-time continuous glucose monitor sensor spent 21% less time hypoglycemic, 23% less time hyperglycemic and 24% more time within the target range of 81 to 140 mg/dL than subjects who used traditional blood glucose monitoring to guide treatment. . . . The physician consultant explained that continuous glucose monitoring can provide more detailed information regarding blood glucose fluctuations than self-monitoring alone, which is of particular importance in patients with labile glucose values who experience hypoglycemia in response to intensification of insulin therapy. The consultant also indicated that continuous glucose monitoring can track glucose response to changes in insulin therapy and can help patients and physicians determine whether the insulin adjustments were correct. Additionally, patients have more glucose data available to help guide them in adjusting their insulin dosing ratios at mealtime, as well as adjusting therapy based on glucose fluctuations related to exercise, illness or new medications.

The Director is not required to accept the IRO's recommendation. *Ross v Blue Care Network of Michigan*, 480 Mich 153 (2008). However, the recommendation is afforded deference by the Director. In a decision to uphold or reverse an adverse determination, the Director must cite "the principal reason or reasons why the [Director] did not follow the assigned independent review organization's recommendation." MCL 550.1911(16)(b).

The IRO's analysis is based on extensive experience, expertise, and professional judgment and is not contrary to any provision of the Petitioner's certificate of coverage. MCL 550.1911(15). The Director can discern no reason why the IRO's recommendation should be rejected in the present case.

The Director finds that the continuous glucose monitor is medically necessary to treat the Petitioner's condition and is therefore a covered benefit.

**V. ORDER**

The Director reverses HealthPlus's April 16, 2015, final adverse determination.

HealthPlus shall immediately cover the Petitioner's continuous glucose monitor, and shall, within seven days, furnish the Director with proof it has implemented this Order.

To enforce this Order, the Petitioner may report any complaint regarding its implementation to the Department of Insurance and Financial Services, Health Care Appeals Sections, at this toll free telephone number: (877) 999-6442.

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:

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

Randall S. Gregg  
Special Deputy Director