

**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. 154323-001

**Humana Medical Plan of Michigan, Inc.
Respondent**

**Issued and entered
this 5th day of August 2016
by Randall S. Gregg
Special Deputy Director**

ORDER

I. PROCEDURAL BACKGROUND

On June 24, 2016 ██████████ (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 request was incomplete as the Petitioner had not signed the request. A signed form was submitted by the Petitioner on July 8, 2016.

The Petitioner receives health benefits through an individual medical policy that is underwritten by Humana Medical Plan of Michigan, Inc. (Humana). The Director notified Humana of the external review request and asked for the information used to make its final adverse determination. Humana furnished the requested information on July 12, 2016. On July 20, 2016, after a preliminary review of the material received, the Director accepted the request for review.

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

On January 4 and 5, 2016, the Petitioner received emergency medical treatment at St. Joseph Mercy Oakland, a hospital in ██████████. St. Joseph Mercy Oakland is not a member of Humana's provider network. The amount charged for the Petitioner's treatment was \$9,677.65. After assessing the deductible, copayment, and coinsurance requirements totaling \$805.04, Humana calculated its payment to the hospital would be \$1,384.36. St. Joseph Mercy Oakland has provided the Petitioner with a different

calculation. According to the hospital (in its bill of April 14, 2016), it charged \$9,677.65 and was paid \$994.96, leaving the Petitioner with a balance due of \$8,682.69.

The Petitioner does not believe he should be required to pay any amount to St. Joseph Mercy Oakland. He appealed Humana's claim decision through Humana's internal grievance process. At the conclusion of that process Humana issued a final adverse determination affirming its decision. The Petitioner now seeks the Director's review of that final adverse determination.

III. ISSUE

Did Humana correctly process the claims for the Petitioner's emergency treatment at St. Joseph Mercy Oakland hospital?

IV. ANALYSIS

Respondent's Argument

In its final adverse determination to the Petitioner, Humana wrote:

Humana is unable to approve additional benefits for emergency room services because the original claim processed toward your network level of benefits. However, because St. Joseph Mercy Oakland Hospital is a non-network provider they can bill you for any remaining amount that Humana does not allow. This is considered maximum allowable fee (MAF). Effective July 1, 2015, per state and federal mandates this amount can be applied to your ER claim and is considered member responsibility. Therefore, your claim was correctly processed according to the terms and provisions of your plan.

Petitioner's Argument

In a letter to Humana submitted with his request for an external review, the Petitioner wrote:

On January 4, 2016 I went to the emergency clinic with chest pains. They decided to send me to the hospital via ambulance. Nobody at the hospital informed me that my insurance did not cover this hospital stay, nor did they provide an interpreter for me. My insurance policy states that any out of network services is not covered, "except for emergencies". The emergency clinic would not have sent me via ambulance to this hospital if it was not considered an emergency. To my knowledge, I was not informed that this hospital stay was out of network, or that it was not considered an emergency, and if I was informed of this, I did not understand because I was not given an interpreter. I should not be responsible for payments of this hospital stay.

Director's Review

The Petitioner argues that he was not told by the hospital staff that the hospital was not in Humana's provider network and he was not provided with an interpreter to explain that to him. These arguments are directed at the St. Joseph Mercy Oakland staff and not at Humana. The Director has no regulatory authority over St. Joseph Mercy Oakland and cannot require the hospital to waive or reduce its charges.

Humana does not dispute that the Petitioner required emergency medical treatment on January 4-5, 2016. Humana processed the claims for that treatment at its in-network benefit level. However, Humana's payment was less than the amount charged by St. Joseph Mercy Oakland.

According to Humana, its payment to the hospital is based on the Medicare fee schedule for the hospital services the Petitioner received. Humana is not required to pay an out-of-network provider such as St. Joseph Mercy Oakland the full amount charged. As a non-network provider, the hospital is not obligated to accept Humana's payment as payment in full for its services. Humana's coverage for non-network provider services is explained in detail on page 15 of the Petitioner's certificate of coverage.

The Director finds no evidence that Humana incorrectly processed the Petitioner's claim for treatment at St. Joseph Mercy Oakland.

V. ORDER

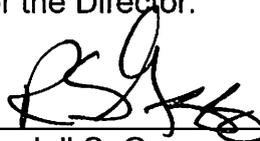
The Director upholds Humana's final adverse determination. Humana is not required to issue any additional payment to St. Joseph Mercy Oakland for the Petitioner's January 4-5, 2016 emergency services.

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:



Randall S. Gregg

Special Deputy Director