

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. 154379-001

Humana Medical Plan of Michigan, Inc.
Respondent

Issued and entered
this 22nd day of July 2016
by Joseph A. Garcia
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On June 29, 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 Petitioner receives health benefits through an individual medical policy that is underwritten by Humana Medical Plan of Michigan, Inc. The benefits are described in Humana's *Individual HMO Medical Policy MIHMOPC01*. 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 June 30, 2016. After a preliminary review of the material received, the Director accepted the request on July 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

On April 3, 2016 the Petitioner received emergency treatment at St. John Hospital and Medical Center in Detroit. St. John Hospital and Medical Center is not a member of Humana's provider network. The amount charged for the Petitioner's

treatment was \$2,768.00. Humana approved \$593.42 as its maximum allowable fee and applied this amount to Petitioner's unmet deductible.

The Petitioner appealed the amount paid through Humana's internal grievance process. At the conclusion of that process, Humana issued a final adverse determination dated June 15, 2016 affirming its decision. The Petitioner now seeks the Director's review of that final adverse determination.

III. ISSUE

Did Humana correctly process the Petitioner's April 3, 2016 emergency treatment?

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, as this was considered a true emergency and you have no out-of-network coverage. However, because St. Johns 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 the request for an external review the Petitioner wrote:

I am a low income female. I suffered a closed head injury and needed to be checked out, at the closest hospital. I repeatedly asked the provider to contact Humana to see if service was fully covered. They called and said it was covered. I am requesting that this claim receive full benefits and be put in network.

Director's Review

There is no question that Petitioner's medical condition on April 3, 2016 warranted emergency treatment. Consequently, Humana allowed coverage at the in-network benefit level. Humana's maximum allowable fee for the Petitioner's services was \$593.42. At that time, the Petitioner had not met her \$1,000.00 in-network annual deductible. Humana applied its maximum allowable fee of \$593.42 to the Petitioner's deductible. The Petitioner would then be expected to pay that amount to the hospital.

In addition, because St. John's Hospital is not an in-network provider, it is not obligated to accept the \$593.42 payment as payment in full, and may bill the Petitioner for the balance of its charge. This left Petitioner responsible for the full submitted amount of \$2,768.00 (the \$593.42 deductible obligation and the balance of the hospital's charge).

The Director finds that Humana processed the claim for the Petitioner's April 3, 2016 emergency services in a manner consistent with the terms of the Petitioner's policy.

V. ORDER

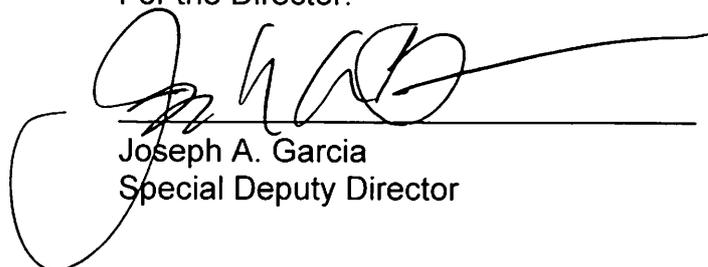
The Director upholds Humana's June 15, 2016 final adverse determination. Humana is not required to issue a payment to St. John Hospital and Medical Center for the Petitioner's April 3, 2016 emergency services.

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:



Joseph A. Garcia
Special Deputy Director