

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. 150075-001

McLaren Health Plan
Respondent

Issued and entered
this 19th day of October 2015
by **Randall S. Gregg**
Special Deputy Director

ORDER

I. BACKGROUND

On September 28, 2015, ██████████ on behalf of his minor son ██████████ (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 Director accepted the request on October 5, 20145.

The Petitioner receives health care benefits as a member of McLaren Health Plan, (McLaren) a health maintenance organization. The benefits are defined in the *McLaren POS Large Group Member Handbook*.

The Director notified McLaren of the request and asked for the information it used to make its final adverse determination. The Director received McLaren's response on October 8, 2015.

The issue in this external review can be decided by an analysis of the contract that defines the Petitioner's health care benefits. The Director reviews contractual issues under MCL 500.1911(7). This matter does not require a medical opinion from an independent review organization.

II. FACTUAL BACKGROUND

On April 8, 2015 the Petitioner was taken by a ██████████ ambulance to ██████████ Hospital. Two months later the Petitioner received a bill for \$250.00 from the fire department for the amount that was not paid by McLaren for the ambulance service.

The Petitioner appealed the McLaren's application of the \$250.00 out of network deductible. At the conclusion of that process, on August 3, 2015, McLaren issued a final adverse determination affirming its payment amount. The Petitioner now seeks a review of that adverse determination from the Director.

III. ISSUE

Did McLaren properly process the Petitioner's April 8, 2015 ambulance claim?

IV. ANALYSIS

Petitioner's Argument

In his request for an external review the Petitioner's father wrote:

On April 8, 2015, around 9:30 P.M., my son became unresponsive and started exhibiting seizure-like behavior. My wife and I quickly became frightened and did not know what to do. We called 911.

██████████ Fire department was dispatched to our home. My wife and son were taken to ██████████ Hospital. After being in the emergency room for a couple of hours he was admitted for the night.

In June, just two months later, we were surprised to receive a bill from the ██████████ ██████████ Fire Department for \$250.00. According to the bill, they were charging us a \$250.00 dollars for the night they came to our home and transported my son to the hospital. I reviewed my Explanation of Benefits and determined "out-of-network" benefits were paid, leaving us responsible for a \$250.00 dollar deductible.

I truly could not understand how calling 911 and getting transported from my home to the closest area hospital could be construed as "out-of-network." Let me repeat, this occurred at my home not some distant place hundreds of miles away from my primary residence. I figured that the coding choice as "out-of-network" must be a mistake by someone at McLaren Billing.

The Petitioner's father also stated that he believes that the information provided him by McLaren was not clear and did not explained that he would be responsible for a \$250.00 deductible if he used the local fire department ambulance. He wants the in-network deductible to be applied to the ambulance charge. Since he had already met this deductible he should not be required to pay any amount for this service.

Respondent's Argument

In its final adverse determination, McLaren wrote:

After reviewing the information provided, McLaren Health plan is unable to approve this request and the denial has been upheld. The Appeals Committee reviewed all of the pertinent information including the member's appeal letter and explanation of benefits. McLaren Health Plan cannot approve this request as the claim has been paid at the appropriate benefit level. The remaining amount represents "balance billing." Balance Billing occurs when a non-participating provider chooses not to accept McLaren Health Plan's level of payment for services provided. In this case, you are being billed for the

difference between the non-participating provider's charge and the McLaren's Health Plan approved amount. Please see the Member's handbook, pages 6-7 regarding non-participating providers. These claims have been processed according to the member's benefit.

Director's Review

The Petitioner was transported by ambulance to the hospital on April 8, 2015. The fire department that transported the Petitioner charged \$715.50. McLaren approved \$572.40 and, after applying a \$250.00 deductible, paid \$322.40.

Under McLaren's two-level benefit plan, a \$250.00 deductible applies to services from nonparticipating providers such as the [REDACTED] fire department ambulance. In addition, nonparticipating providers are free to obtain from insureds the balance of their charge when it exceeds the amount paid by McLaren.

The Petitioner believes that, because the ambulance ride was only from his home to the nearest hospital, the in-network rates should apply. However, distance travelled is not a factor in determining whether network or non-network benefits apply.

The Director finds that McLaren correctly processed the claims for the Petitioner's April 8, 2015 ambulance service.

V. ORDER

The Director upholds McLaren's August 3, 2015, final adverse determination. McLaren Health Plan is not required to pay more for the Petitioner's ambulance care provided on April 8, 2015.

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 sixty 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 Director of Insurance and Financial Services, Health Care Appeals Section, Post Office Box 30220, Lansing, MI 48909-7720.

Patrick M. McPharlin
Director

For the Director



Randall S. Gregg
Special Deputy Director