

**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. 153602-001**

**Total Health Care USA,**

**Respondent.**

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**Issued and entered**  
**this 6<sup>th</sup> day of June 2016**  
**by Randall S. Gregg**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

██████████ (Petitioner) received services from an out-of-network provider. The claims for those services were denied by her health plan, Total Health Care USA (THC), a health maintenance organization.

On May 10, 2016, the Petitioner filed a request with the Director of Insurance and Financial Services for an external review of THC's denials under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.*

The Petitioner receives group health care benefits from THC. The Director immediately notified THC of the external review request and asked for the information it used to make its final adverse determination. THC responded on May 12, 2016. After a preliminary review of the material submitted, the Director accepted the request on May 17, 2016.

The issue in this external review can be decided by a contractual analysis. 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**

The Petitioner's health care benefits are described in THC's *Mid-Level Deductible Plan*

*Certificate of Coverage* (the certificate).

Between February 15, 2015, and January 29, 2016, the Petitioner received numerous medical services at Lakeland Community Hospital Watervliet, including office visits, outpatient laboratory services, physical therapy, radiology services, and outpatient surgery. The charge for these services was \$18,435.18. THC denied coverage because the services were rendered by an out-of-network provider.

The Petitioner appealed the denial through THC's internal grievance process. At the conclusion of that process, THC maintained its denial and issued its final adverse determination dated April 27, 2016. The Petitioner now seeks a review of that final adverse determination from the Director.

### III. ISSUE

Did THC properly deny coverage for the services obtained from out-of-network providers between February 15, 2015 and January 29, 2016?

### IV. ANALYSIS

#### Petitioner's Argument

On the request for external review form, the Petitioner wrote:

We paid over 6,000.00 in insurance premiums and were told this had a rider on it to cover our medical at Lakeland Facilities. When bills were submitted nothing was paid. I am seeking payment of bills or a refund for the premiums I paid that did nothing for us. I feel I was scammed & received nothing for my payments like I had no insurance.

#### Respondent's Argument

In its final adverse determination, THC explained the reasons for its denial to the Petitioner:

We have received your second appeal regarding the above referenced provider and claims. The claims have been denied for services provided by a non-network provider.

Per your appeal letter, you indicate that prior authorization could not have been obtained because the services were emergency calls or doctor office calls. All claims for this provider have been reviewed and it is determined that all services provided by Lakeland Community Hospital were associated with non-emergent

outpatient office visits, laboratory, radiology, and diagnostic services. Therefore, prior authorization should have been obtained prior to the services being rendered since your benefit does not cover out of network procedures or services.

As a Total Health Care member enrolled since December 1, 2014, you were enrolled in the Select Mid-Non-Grandfathered plan, and services are covered when provided within the Total Health Care USA network and the Cofinity network. As documented in the Select Mid Certificate of Coverage- Non-Grandfathered, Article V - Covered Benefits and Services, Section 5.03, Outpatient Services and Section 5.04 Professional Services are covered when provided by an Affiliated Provider in the Total Health Care or Cofinity networks.

Total Health Care has confirmed that Lakeland Community Hospital is not a participating provider in the Cofinity network. Therefore, the non-emergent outpatient services provided by Lakeland Community Hospital are considered out of network and are not a covered benefit in your health plan coverage. The final determination is that the appeal denial is upheld. The reason for this decision is that the policies of the health plan were not followed. Covered services must be provided by a contracted Total Health Care USA or Cofinity network provider.

#### Director's Review

The certificate covers office visits, outpatient laboratory, radiology and diagnostic services, physical therapy, outpatient surgery, etc. (See Article V, pp. 14 – 29, specifically sections 5.03 and 5.04.) However, following each benefit listed in Article V there are only two network choices: the Total Health Care USA network or the Cofinity network. The certificate does not have any provision for out-of-network benefits.

The Petitioner received various services from Lakeland Community Hospital Watervliet, which is not in either of the two networks available under the Petitioner's plan. Therefore, any services from Lakeland are not covered.

The Petitioner says she was told there was a rider attached to her health plan benefits that would allow her to receive covered services at Lakeland Community Hospital. However, she provided no documentation to support that claim and THC says there are no riders associated with Petitioner's health plan.

The Director finds that THC's denial of coverage for the various medical services Petitioner received at Lakeland Community Hospital between February 15, 2015, and January 29, 2016, was in accord with the terms and conditions of the certificate.

**V. ORDER**

The Director upholds THC's April 27, 2016, final adverse determination. THC is not required to cover the medical services the Petitioner received from out-of-network providers.

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 'RSG', is written over a horizontal line.

Randall S. Gregg  
Special Deputy Director