STATE OF MICHIGAN

DEPARTMENT OF LABOR & ECONOMIC GROWTH

OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of Financial and Insurance Services

In the matter of

XXXXX
Petitioner **File No. 87105-001**
v

Physicians Health Plan of Mid-Michigan
Respondent
_____/

Issued and entered
This 15th day of February 2008
by Ken Ross
Acting Commissioner

ORDER

I
PROCEDURAL BACKGROUND

On January 8, 2008, XXXXX (Petitioner) filed a request for external review with the Commissioner of Financial and Insurance Services under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq*. On January 15, 2008, after a preliminary review of the material submitted, the Commissioner accepted the request for external review.

The issue in this external review can be decided by a contractual analysis. The contract involved here is the certificate of coverage issued by Physicians Health Plan of Mid-Michigan (PHP), a health maintenance organization. The Commissioner reviews contractual issues under MCL 550.1911(7). This matter does not require a medical opinion from an independent review organization.

II
FACTUAL BACKGROUND

On July 24, 2007, the Petitioner had a mammogram and several laboratory tests at XXXXX in XXXXX. PHP provided coverage for the procedures but applied a portion of the

charges to the Petitioner's annual deductible.

The Petitioner appealed, asking PHP to waive the deductible because, in Petitioner's view, the procedures were preventative services and therefore not subject to her policy's deductible requirement. PHP declined to change its decision. The Petitioner exhausted PHP's internal grievance process and received its final adverse determination dated December 14, 2007.

(Petitioner's original complaint also disputed PHP's claim decision for the mammogram. However, that matter has now been resolved and Petitioner is not being billed for that service.)

III
ISSUE

Did PHP properly apply the deductible for the Petitioner's laboratory tests?

IV
ANALYSIS

Petitioner's Argument

The Petitioner disagrees with PHP's decision to require a deductible payment for the laboratory tests, arguing that PHP should provide 100% coverage for the procedures because they were part of a routine health examination and, for that reason, should be considered part of the screening and preventive services which do not require a deductible. The Petitioner believes PHP incorrectly categorized the tests as diagnostic tests which do require a deductible.

Respondent's Argument

In its final adverse determination, Respondent states that it denied Petitioner's request to waive the deductible for the laboratory services "because the laboratory services you received are not on [PHP's] Preventative Guideline list." PHP says that it developed a list of the diagnostic and procedure codes that it considers preventative care. The procedure codes for Petitioner's lab tests are: 80053 (comprehensive metabolic panel), 85025 (complete blood count), and 81003 (uninalysis). These procedure codes are not on PHP's list of preventative

care tests. PHP says the codes are for diagnostic procedures and are not codes for screening or preventive services. PHP believes its decision to require a deductible was correct.

Commissioner's Review

PHP's certificate of coverage defines Preventative Health Services as

> Covered Health Services that are designated to keep you in good health and to prevent unnecessary Injury, Sickness or disability in accordance with our current "Preventive Guidelines." These guidelines include the following as may be appropriate based on your age and/or sex:
>
> * * *
>
> - Routine physical examinations (including related pathology and radiology services).
> - Diagnostic screenings.

PHP has identified the specific diagnostic and procedure codes that it considers preventive health care. The services included in PHP's list of preventive care are not subject to the deductible. However, procedure codes 80053, 85025 and 81003 are not included in the list and therefore are subject to the deductible requirement. PHP has the right to classify medical tests according to the categories—preventative or diagnostic—listed in its certificate of coverage. PHP's classification of tests 80053, 81003, and 85025 is not inconsistent with any policy provision or requirement of Michigan law.

V
ORDER

The Commissioner upholds PHP's December 14, 2007, final adverse determination.

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 Commissioner

of the Office of Financial and Insurance Services, Health Plans Division, Post Office Box 30220,

Lansing, MI 48909-7720.