

**STATE OF MICHIGAN**  
**DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH**  
**OFFICE OF FINANCIAL AND INSURANCE REGULATION**  
**Before the Commissioner of Financial and Insurance Regulation**

In the matter of

XXXXX

Petitioner

v

John Alden Life Insurance Company  
Respondent

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File No. 102685-001

Issued and entered  
this 20<sup>th</sup> day of March 2009  
by Ken Ross  
Commissioner

**ORDER**

**I**  
**PROCEDURAL BACKGROUND**

On January 27, 2009, XXXXX ("Petitioner") filed a request for external review with the Commissioner of Financial and Insurance Regulation, under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.* The Commissioner reviewed the request and accepted it on February 5, 2009. The Commissioner notified John Alden Life Insurance Company ("John Alden") of the external review and requested the information used in making its adverse determination. The Office of Financial and Insurance Regulation received the information on February 18, 2009 from Assurant Health, the entity that administers coverage for John Alden.

The issue here can be decided by an analysis of Petitioner's certificate of coverage, the contract defining the Petitioner's health benefits. The Commissioner 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

The Petitioner began to experience chest pains while on a business trip. He was taken to the nearest hospital for emergency treatment. Respondent paid a portion of Petitioner's bills leaving a \$196.00 balance due to a physician who treated Petitioner. The Petitioner appealed the amount paid, requesting that the insurer pay the balance of the physician's charge.

Respondent reviewed the claim but the decision remained unchanged. The Petitioner exhausted the internal grievance process and a final adverse determination was issued January 14, 2009.

## III ISSUE

Is Respondent required to pay more for the Petitioner's emergency room treatment?

## IV ANALYSIS

### Petitioner's Argument

The Petitioner says that, because this was an emergency, he had no choice of providers. Therefore, he believes John Alden should consider the special circumstances and pay more of the cost of his treatment.

### Respondent's Argument

The certificate's "Non-Network Benefits" section (page 25) explains how coverage is determined in these situations. It provides:

If You or Your Dependent go to a Non-Network Provider and that Provider charges You more than the Negotiated Fees, any charges in excess of the Negotiated Fees will not be considered Covered Medical Charges. You will be responsible for paying the additional amount and those charges in excess of the Negotiated Fee will not apply to any applicable Deductible or Out-of-Pocket Limits shown on Your Benefit Summary.

Exceptions:

1. In the event Covered Medical Charges are incurred for any service, treatment or supply for which the Insured Person must seek immediate medical care or treatment, and the circumstances or location

reasonably prevent the Insured Person from obtaining the Medically Necessary care or treatment from a Network Provider, the Non-Network Provider emergency service, treatment or supply will be covered as if it had been provided by a Network Provider within the first 48 hours after the onset of the Emergency.

\* \* \*

2. However, in the event Covered Medical Charges are incurred for any service, treatment or supply for which no Negotiated Fee has been determined, Covered Medical Charges will be based on the Usual, Customary and Reasonable amount.

Based on this provision, John Alden asserts that no additional benefits are available.

### Commissioner's Review

In this external review the Commissioner is bound by the terms of the certificate of coverage. The certificate's schedule of benefits indicates that covered services, including emergency room services, are paid based on the participation status of the provider. The certificate does not provide for additional benefits if there was no participating facility or physician available. In this case, the provider has no participation agreement with Respondent to accept Respondent's payment as payment in full. The provider, therefore, can bill Petitioner for that part of his fee that was not paid by Respondent.

Respondent paid the claim based on its in-network reimbursement levels. The Commissioner finds that Respondent paid the claims according to the terms of the medical certificate.

## **V ORDER**

The Commissioner upholds John Alden Life Insurance Company's adverse determination of January 14, 2009. The company is not required to pay any additional amount for the Petitioner's emergency room treatment.

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

File No. 102685-001

Page 4

County. A copy of the petition for judicial review should be sent to the Commissioner of Financial and Insurance Regulation, Health Plans Division, Post Office Box 30220, Lansing, MI 48909-7720.