

**STATE OF MICHIGAN**  
**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**  
**OFFICE OF FINANCIAL AND INSURANCE REGULATION**  
**Before the Commissioner of Financial and Insurance Regulation**

**In the matter of**

**XXXXX**

**Petitioner**

**v**

**File No. 120503-001**

**Priority Health Insurance Company**

**Respondent**

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**Issued and entered**  
**this    19<sup>th</sup>    day of July 2011**  
**by R. Kevin Clinton**  
**Commissioner**

**ORDER**

**I. PROCEDURAL BACKGROUND**

On April 8, 2011, 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 accepted the Petitioner's request for review on April 15, 2011.

The issue here can be decided by applying the terms of Priority Health Insurance Company's *PPO Insurance Policy* (the certificate). 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**

Petitioner suffers from Dupuytren's contracture, a fixed flexion contracture of the hand where the fingers bend towards the palm and cannot be fully extended. This disorder is sometimes treated by a surgical procedure known as palmar fasciotomy. As an alternative to surgery, his physician prescribed Xiaflex injections to treat Petitioner's condition. PHIC denied coverage indicating that Petitioner did not meet its criteria for coverage.

Petitioner appealed PHIC's denial of coverage through its internal grievance process. PHIC issued its final adverse determination dated February 9, 2011, upholding its original determination.

### III. ISSUE

Did PHIC correctly deny coverage of Xiaflex injections under the terms of the certificate?

### IV. ANALYSIS

#### Petitioner's Argument

Petitioner argues that he is a very good candidate for Xiaflex injections, which he contends is a less expensive form of treatment than surgery. The recovery period is less than one-half the recovery time required if he were to undergo surgery and Xiaflex is approved by the federal government. While he acknowledges he is a candidate for palmar fasciotomy, he disputes the exclusion of Xiaflex as a form of treatment for his medical condition. He says his condition is not curable with either the surgical procedure or with Xiaflex injections and neither treatment option is without risk. However, he contends there appears to be greater risk of complications with the surgical treatment and less risk of complications with the injections.

For these reasons, Petitioner contends PHIC should provide coverage for the injections as an alternative to surgery.

#### Respondent's Argument

In its February 9, 2011, final adverse determination PHIC wrote, “[R]equested coverage will not be provided as the Xiaflex Injections are not covered for members who are candidates for Palmar Fasciotomy in accordance with the Priority Health Pharmacy Prior Authorization Form for Xiaflex.”

The Prior Authorization Form for Xiaflex states:

#### **Priority Health precertification requirements:**

#### **Authorization requires all of the following:**

- Diagnosis of Dupuytren's contracture
- Flexion contracture of at least one finger, other than the thumb, of  $\geq 20$  degrees at the MP or PIP joints
- Patient is free of a chronic muscular, neurological, or neuromuscular disorder affecting the hands
- Patient is **not** a candidate for surgical palmar fasciotomy

#### Commissioner's Review

According to PHIC, Xiaflex is a covered benefit only when the patient has met its precertification requirements. Petitioner does have a diagnosis of Dupuytren's contracture, his degree of flexion is 40, and he is free of a chronic muscular, neurological, or neuromuscular

disorder affecting the hands. However, he is candidate for surgical palmar fasciotomy. PHIC's prior authorization requirements are specific that all of its criteria must be met. Since it is undisputed that Petitioner is a candidate for surgery, he is not eligible for Xiaflex treatment.

The Commissioner finds that PHIC's denial of Xiaflex is consistent with the terms of the certificate.

#### **V. ORDER**

The Commissioner upholds PHIC's final adverse determination of February 9, 2011. PHIC is not required to provide Petitioner with coverage for Xiaflex injections.

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 Commissioner of Financial and Insurance Regulation, Health Plans Division, Post Office Box 30220, Lansing, MI 48909-7720.

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R. Kevin Clinton  
Commissioner