STATE OF MICHIGAN

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

[redacted]
Petitioner

v **File No. 237606-001**

Blue Cross Blue Shield of Michigan
Respondent

Issued and entered
this 25th day of July 2025
by Jeffrey Hayden
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On July 9, 2025, [redacted] (Petitioner), filed with the Director of the Department of Insurance and Financial Services a request for an external review under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq*. The request for review concerns the denial of coverage for a prescription drug. The Director accepted the request for review on July 16, 2025.

The Petitioner receives health care benefits through a plan underwritten by Blue Cross Blue Shield of Michigan (BCBSM). The benefits are described in BCBSM's [redacted] *Choices with 3-Tier Rx*. The Director notified BCBSM of the external review request and asked for the information used to make its final adverse determination. BCBSM responded on July 22, 2025.

The issue in this external review can be decided through a contractual analysis. The Director reviews contractual issues pursuant to MCL 550.1911(8). This matter does not involve medical issues requiring analysis by an independent review organization.

II. FACTUAL BACKGROUND

The Petitioner is obese, has elevated cholesterol and high blood pressure. The Petitioner has been taking the prescription drug Zepbound and has requested BCBSM provide continued coverage for the drug. BCBSM denied the request.

The Petitioner appealed the denial through BCBSM's internal grievance process. At the conclusion of that process, BCBSM issued a final adverse determination dated May 23, 2025, affirming its coverage denial. The Petitioner now seeks the Director's review of that final adverse determination.

III. ANALYSIS

Petitioner's Argument

In the request for review, the Petitioner wrote:

> I am dealing w/ health issues that are effected by my obesity. I have high blood pressure and high cholesterol. I am dealing w/ back issues that is causing chronic nerve issues. I need to lose weight w/ the help of Zepbound. Zepbound has helped me to lose 25 lbs and I need to lose 50 more lbs to be at a healthy weight. I am in need of being able to continue using Zepbound. I can't afford to pay out of pocket for this medication, please reconsider. I want to reach a healthy weight.

Respondent's Argument

In its final adverse determination, BCBSM wrote:

> You are covered under the [redacted] ([redacted] group health care plan. The prescription drug benefits of your plan are summarized in the [redacted] *Choices with 3-Tier Rx Prescription Coverage Booklet.* As indicated on Page 6 of the booklet, excluded drugs are not covered by [redacted] and the [redacted] 3-Tier Rx Drug List confirms that Zepbound is not covered. Page 7 of the booklet under "Exclusions and Limitations", indicates that [redacted] will not pay for anything other than covered drugs.
>
> I confirmed that your prior authorization request for Zepbound was denied as a benefit exclusion under your prescription drug benefits.
>
> Please note that while the Food and Drug Administration (FDA) approved certain GLP-1 medications for treatment of weight loss, Blue Cross Blue Shield of Michigan (Blue cross) changed the coverage for certain GLP-1 medications (including Saxenda, Wegovy and Zepbound), used for weight loss. For members who are currently using the drugs, any previously approved prior authorizations expired on December 31, 2024. Effective January 1, 2025, Blue Cross will no longer cover Zepbound.
>
> Blue Cross made these changes after careful consideration of the GLP-1 weight loss drug's efficacy, safety and access, and cost. Research has shown that a person's chance of success in losing weight and maintaining that weight loss is greatly improved when medication is paired with lifestyle changes, including diet and exercise. Data published by the Blue Cross Blue Shield Association in May 2024 shows that most patients are not staying on weight loss GLP-1 drugs consistently enough to see long term benefits. Due to the high cost of these drugs and supply considerations, we want to ensure they are used for the most appropriate patients who can achieve clinical benefit, while long term research is underway.

> In your appeal you are requesting coverage for Zepbound for multiple conditions including high blood pressure, degenerative disc disease, chronic nerve condition and potential sleep apnea. However, as stated above, effective January 1, 2025, the prescription medication, Zepbound, is not covered under any circumstances and is therefore excluded from your health plan benefits. The decision to deny Zepbound is maintained.

Director's Review

The [redacted] *Choices* booklet (page 6) under "What's not covered – excluded drugs" states:

> To help keep the cost of your plan down, some expensive prescription drugs are not covered. These excluded drugs have preferred alternatives with similar effectiveness, quality and safety, but at a fraction of the cost to you and your plan.
>
> If you fill a prescription for an excluded drug, you'll pay the full retail price, and it will not count toward your annual prescription out-of-pocket maximum.

BCBSM's "Your 2025 [redacted] 3-Tier Rx Drug List" states that the prescription drug Zepbound is not covered. The booklet is clear that excluded drugs are not covered, and if filled, the Petitioner would be responsible for the full retail price.

The Director finds that BCBSM's denial of coverage is consistent with the terms of the Petitioner's benefit plan.

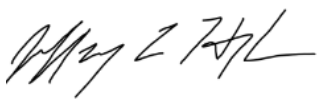
IV. ORDER

The Director upholds Blue Cross Blue Shield of Michigan's May 23, 2025, 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 60 days from the date of this order in the circuit court for the Michigan 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 Appeals, Legal Research, and Market Regulation, Post Office Box 30220, Lansing, MI 48909-7720.

Anita G. Fox
Director

For the Director:



Jeffrey Hayden

Special Deputy Director