

**STATE OF MICHIGAN**  
**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**  
**Before the Director of Insurance and Financial Services**

**In the matter of:**

██████████  
**Petitioner**

v

**McLaren Health Plan**  
**Respondent**

**File No. 151402-001**

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**Issued and entered**  
**this 20<sup>th</sup> day of January 2016**  
**by Randall S. Gregg**  
**Special Deputy Director**

**ORDER**

**I. BACKGROUND**

On December 21, 2015, ██████████ (Petitioner) filed a request with the Director of Insurance and Financial Services for an external review under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.*

The Petitioner receives health care benefits as a member of McLaren Health Plan (McLaren), a health maintenance organization in west Michigan. Her benefits are defined in McLaren's *POS Large Group Member Handbook*.

The Director notified McLaren of the Petitioner's request for review and asked for the information used to make its final adverse determination. The Director received McLaren's response and accepted the request for review on January 6, 2016. McLaren provided additional information on January 15, 2016.

The issue in this external review can be decided by an analysis of the McLaren *POS Large Group Member Handbook*. 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

On February 8, 2015 the Petitioner was treated for a kidney infection in the emergency department of [REDACTED], a part of the Spectrum Health hospital system in west Michigan. She was treated by physicians from Emergency Care Specialists (ECS), a physician-owned medical group that provides emergency medicine services to Spectrum Health hospitals. ECS does not participate with the McLaren Health Plan.

ECS charged \$519.00 for the Petitioner's treatment. McLaren paid \$218.00, leaving the Petitioner with a balance of \$301.00 owed to ECS.

The Petitioner appealed McLaren's payment amount through its internal grievance system. At the conclusion of that process, McLaren issued a final adverse determination on November 2, 2015, affirming its payment amount. The Petitioner now seeks the Director's review of that adverse determination.

## III. ISSUE

Did McLaren properly process the claim for the Petitioner's February 8, 2015 emergency care?

## IV. ANALYSIS

### Petitioner's Argument

In the request for an external review, the Petitioner stated:

McLaren isn't paying the balance of \$301.00 claiming this was a noncovered, out of network claim.

This was an ER visit. I went to urgent care at Spectrum in [REDACTED] and they transferred me to ER which is also at Spectrum. This was a kidney infection.

### Respondent's Argument

In its final adverse determination, McLaren wrote:

McLaren Health Plan cannot approve this request as the claim has been paid at the appropriate benefit level. The remaining amount [\$301.00] represents "balance billing". Balance billing occurs when a non-participating provider chooses not to accept McLaren Health Plan's level of payment for services provided. In this case, you are being billed for the difference between the non-participating provider's charge and the McLaren's Health Plan approved amount. Please see the Member's Handbook, page 6 regarding Emergency Care/Urgent Care.

Director's Review

The McLaren *POS Large Group Member Handbook*, on page 6, "Emergency Care/ Urgent Care" states:

If you choose to receive services from a non-Participating Provider, you may have to pay a price difference between the cost of the services and what [McLaren] pays a Participating Provider for the service ("Balance Bill"). These costs can be significant, which is why it is important to understand your liability when using a non-Participating Provider.

The physicians who treated the Petitioner were not McLaren participating providers. They were not, therefore, required to accept McLaren's approved amount as payment in full and may bill the Petitioner for the difference between the amount they charged (\$519.00) and the amount McLaren paid (\$218.00).

The Director finds that McLaren's processing of the Petitioner's claim for her February 8, 2015 emergency care was consistent with terms of McLaren's *POS Large Group Member Handbook*.

**V. ORDER**

The Director upholds McLaren Health Plan's November 2, 2015, final adverse determination. McLaren is not required to make any additional payment for the Petitioner's February 8, 2015 emergency care.

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 Director of Insurance and Financial Services, Health Care Appeals Section, Post Office Box 30220, Lansing, MI 48909-7720.

Patrick M. McPharlin  
Director

For the Director:



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Randall S. Gregg  
Special Deputy Director