

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

**In the matter of:**

██████████  
Petitioner

v

██████████ Community College, Plan Sponsor  
and  
Blue Cross Blue Shield of Michigan, Plan Administrator  
Respondents

File No. 145579-001-SF

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Issued and entered  
this 28<sup>th</sup> day of January 2015  
by **Randall S. Gregg**  
Special Deputy Director

**ORDER**

**I. PROCEDURAL BACKGROUND**

On December 30, 2014, ██████████ (Petitioner) filed a request for external review with the Department of Insurance and Financial Services, appealing a claim denial issued by Blue Cross Blue Shield of Michigan (BCBSM), the administrator of the Petitioner's health benefit plan which is sponsored by ██████████ Community College.

The request for external review was filed under Public Act No. 495 of 2006, (Act 495) MCL 550.1951 *et seq.* Act 495 requires the Director to provide external reviews to a person covered by a self-funded health plan that is established or maintained by a state or local unit of government. The Director's review is performed "as though that person were a covered person under the Patient's Right to Independent Review Act" (MCL 550.1952). The Petitioner's health benefit plan is such a governmental self-funded plan. The plan's benefits are described in BCBSM's *Simply Blue HSA Group Benefits Certificate with Prescription Drugs ASC*.

On January 8, 2015, after a preliminary review of the information submitted, the Director accepted the Petitioner's request. The Director notified BCBSM of the appeal and asked BCBSM to provide the information used to make its final adverse determination. BCBSM furnished its response on January 15, 2015.

The issue in this external review can be decided by a contractual analysis. The Director 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

On September 23, 2014, the Petitioner had a consultation with [REDACTED] at the University of [REDACTED] Medicine. The University of [REDACTED] Medicine is an academic medical center comprised of a medical school, hospitals, and outpatient clinics providing specialty and primary care. The University of [REDACTED] Medicine includes the University of [REDACTED] Physicians Group, more than 700 physicians, most of whom hold full-time faculty positions at the University of [REDACTED]. [REDACTED] is a urologist and co-director of the University of [REDACTED] Medicine's prostate cancer program. Both the University of [REDACTED] Medicine and [REDACTED] are participating providers with [REDACTED] Blue Cross Blue Shield.

Two claims were submitted to BCBSM for the Petitioner's consultation: a charge of \$507.00 for [REDACTED] services and a University of [REDACTED] Medicine facility charge of \$285.00. BCBSM paid [REDACTED] claim but refused to pay the University of [REDACTED] Medicine facility charge.

The Petitioner appealed the denial through BCBSM's internal grievance process. At the conclusion of its internal grievance process, BCBSM issued a final adverse determination dated December 19, 2014, affirming its denial of coverage. The Petitioner now seeks a review of that determination from the Director.

## III. ISSUE

Under the Petitioner's benefit plan, is the University of [REDACTED] Medicine's facility charge a covered benefit?

## IV. ANALYSIS

### Respondent's Argument

In its final adverse determination to the Petitioner BCBSM wrote:

You are covered under the *Simply Blue HSA Group Benefits Certificate with Prescription Drugs ASC*. As explained in Section 3 on page 82: Professional Services:

The services in this section are in addition to all other services listed in this certificate that are payable to a professional provider.

- Inpatient and Outpatient Consultations: We pay for inpatient and outpatient consultations when your physician requires assistance in diagnosing or treating your condition. The assistance is required because of the special skill and knowledge of the consulting physician or professional provider.

\* \* \*

Although your contract covers consultation services, there can be exceptions and/or limitations. As explained in the BCBSM Benefit Policy Report for your plan, procedure code 88321 is payable only when reported as a professional claim. In your case, this procedure was reported as both a professional and a facility claim. We paid 100 percent of the approved amount for the professional claim; however the facility claim is not payable under your plan.

### Petitioner's Argument

In his request for an external review, the Petitioner wrote:

It was never communicated to me clearly *before* my consultation with [REDACTED] [REDACTED] on 9-23-14 at the University of [REDACTED] Medicine that this visit would include my visit being reported with a "facility claim" when no actual procedure actually took place, only a verbal consult with [REDACTED] in a patient room.

I am requesting that the "facility claim" of \$285.00 for his consultation visit on 9-23-14 be covered 100%. I was never informed by the hospital or BCBSM before my visit that a "facility claim" would be given & billed to me to pay.

### Director's Review

The Petitioner's certificate of coverage, on page 82, includes the following provision

#### **Section 3: What BCBSM Pays For**

##### ***Professional Services***

The services in this section are in addition to all other services listed in this certificate that are payable to a professional provider.

\* \* \*

Inpatient and Outpatient Consultations: We pay for inpatient and outpatient consultations when your physician requires assistance in diagnosing or treating your condition. The assistance is required because of the special skill and knowledge of the consulting physician or professional provider.

The certificate does not indicate any coverage is available for consultation charges submitted by a hospital. The Director finds that BCBSM's failure to pay the facility fee associated with his consultation is consistent with the terms and conditions of the Petitioner's coverage.

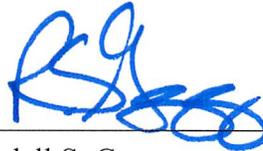
**V. ORDER**

The Director upholds BCBSM's December 19, 2014 final adverse determination. BCBSM is not required to provide coverage for the facility charge associated with the Petitioner's September 23, 2014 consultation.

This is a final decision of an administrative agency. 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. See MCL 550.1915(1). A copy of the petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of General Counsel, Post Office Box 30220, Lansing, MI 48909-7720.

Annette E. Flood  
Director

For the Director:



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Randall S. Gregg  
Special Deputy Director