

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

In the matter of:

██████████  
Petitioner

v  
Blue Cross Blue Shield of Michigan  
Respondent

File No. 146099-001

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Issued and entered  
this 24<sup>th</sup> day of February 2015  
by Randall S. Gregg  
Special Deputy Director

**ORDER**

**I. PROCEDURAL BACKGROUND**

On February 3, 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.* On February 10, 2015, after a preliminary review of the information submitted, the Director accepted the request.

The Petitioner is enrolled for health care coverage through a group plan that is underwritten by Blue Cross Blue Shield of Michigan (BCBSM). The benefits are defined in BCBSM's *Community Blue Group Benefits Certificate* and two riders that establish deductible and copayment requirements for the benefit plan. The Director notified BCBSM of the external review request and asked for the information it used to make its adverse determination. BCBSM submitted the material on February 17, 2014.

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 June 25, 2014, the Petitioner underwent an MRI at the ██████████ Hospital. BCBSM, in processing the claim, applied a deductible and a coinsurance charge. Because these amounts totaled more than BCBSM's approved amount, BCBSM concluded that no additional amount would be payable for the claim.

The Petitioner appealed BCBSM's decision through its internal grievance process. At the conclusion of that process, BCBSM issued a final adverse determination dated January 22, 2015,

affirming its decision. The Petitioner now seeks a review of that final adverse determination from the Director.

### III. ISSUE

Did BCBSM correctly process the claim for the Petitioner's MRI?

### IV. ANALYSIS

#### Petitioner's Argument

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

I was told service [MRI] covered in full. It wasn't; I had to pay \$560+. I believe BCBSM should reimburse me in full. This is all verifiable on the recorded phone call I had with them.

#### BCBSM's Argument

In its final adverse determination to the Petitioner, BCBSM's representative said:

After review, I have confirmed that BCBSM has already paid the maximum benefit available under your contractual cost share of \$567.42....

Your coverage is under the *Community Blue Group Benefits Certificate*. As you know, when you receive a payable service, you must first pay your deductible and your coinsurance before we pay up to our approved amount. This is true even when the services are medically necessary. [*Rider CBD \$500-P*] modifies the Certificate to impose an annual in-network individual [\$500 deductible, or \$1,000] for the family, while *Rider CBC 20%-P* imposes a 20% coinsurance for most covered in-network services.

During our conference and in your letter, you said that you were misinformed by one of our Customer Service Representatives during a July 7, 2014 call. I have confirmed you were incorrectly told you would not owe any payment and that your MRI had been covered at 100% for a single professional claim. In fact, you owed \$567.42 in cost share from the related facility claim for that same MRI.

We regret misinforming you during your July 7, 2014 call with us, and I acknowledge that you believe this caused you significant hardship. However, the phone call occurred after you received the MRI; it could not have prejudiced your decision to get the MRI. For this reason, I am unable to authorize payment greater than your contractual amounts.

#### Director's Review

The [REDACTED] Hospital charged \$2,167.00 for the MRI and a claim was filed with BCBSM. In processing the claim, BCBSM first determined its approved amount which, in this case,

was \$1,003.28. BCBSM then applied a coinsurance charge of \$108.96 to be paid by the Petitioner who was also required to pay a deductible of \$458.46. BCBSM paid the [REDACTED] Hospital the remaining balance \$435.86. The Director has reviewed the *Community Blue* certificate and related riders and concludes that BCBSM correctly processed the claim.

The Petitioner argues that, since BCBSM informed her on July 7, 2014 that it would pay 100 percent of the approved amount for her MRI, BCBSM is required to waive the deductible and pay the University of Michigan Hospital an additional amount of \$567.42.

Under the Patient's Right to Independent Review Act, the Director's role is limited to determining whether an insurer has properly administered health care benefits according to the terms of the applicable insurance contract and any relevant state law. The Director has no authority to amend the terms of an insurance policy because of statements or misstatement made by an insurer's employees. In any case, the erroneous statement by the BCBSM customer service representative was made nearly two weeks after the MRI was performed and, therefore, could not have influenced the Petitioner's decision to have the MRI, a procedure which all parties agree was medically necessary.

The Director finds that BCBSM's application of the deductible and coinsurance amounts to the Petitioner's June 25, 2014 MRI is consistent with the terms and conditions of the Petitioner's certificate and riders.

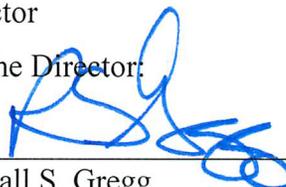
#### V. ORDER

The Director upholds BCBSM's January 22, 2015 final adverse determination.

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