

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

**In the matter of:**

██████████

**Petitioner,**

**v**

**File No. 147253-001**

**Blue Cross Blue Shield of Michigan,**

**Respondent.**

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**Issued and entered**  
**this 4<sup>th</sup> day of May 2015**  
**by Randall S. Gregg**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

On April 10, 2015, ██████████, authorized representative of ██████████ (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 April 17, 2015, after a preliminary review of the information submitted, the Director accepted the request.

The Petitioner receives health care benefits through an individual plan that is underwritten by Blue Cross Blue Shield of Michigan (BCBSM). The Director immediately notified BCBSM of the external review request and asked for the information it used to make its final adverse determination. The Director received BCBSM's response on April 27, 2015.

This case can be resolved by applying the terms of the Petitioner's coverage; it does not require a medical opinion from an independent review organization. See MCL 550.1911(7).

**II. FACTUAL BACKGROUND**

Beginning on December 1, 2013, the Petitioner's health care benefits were defined in BCBSM's *Keep Fit and Member Edge Individual Market Certificate*<sup>1</sup> (the certificate). The Petitioner was already pregnant on that date and her prior health insurance plan included maternity services.

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<sup>1</sup> BCBSM form no. 351D, approved 05/14.

On August 5 and 6, 2014, the Petitioner and her newborn child received maternity services (labor and delivery and related newborn care) from [REDACTED]. BCBSM denied coverage for those services.

The Petitioner appealed the denial through BCBSM's internal grievance process. At the conclusion of that process, BCBSM issued a final adverse determination dated March 3, 2015, upholding its decision. The Petitioner now seeks a review of that final adverse determination from the Director.

### III. ISSUE

Did BCBSM correctly deny coverage for the Petitioner's maternity and newborn care?

### IV. ANALYSIS

#### Petitioner's Argument

On the request for external review form the Petitioner's authorized representative wrote:

Review of denied maternity care when patient was switched into plan with no maternity coverage without the knowledge of patient and after patient made clear to BCBS that maternity care was required. Further, patient was assured that a change in plan would provide the same coverage.

In an appeal letter to BCBSM dated December 23, 2014, the Petitioner's authorized representative also explained:

I am writing today in regards my client . . . and the medical coverage, or lack thereof, for necessary medical services rendered in August 2014. . . . Between August 5, 2014, and August 6, 2014, [the Petitioner] received medical treatment related to her pregnancy. These services . . . exceeded \$10,000. Currently, Blue Cross Blue Shield's position is that none of these maternity services were covered under [Petitioner's] Keep Fit health care plan.

It is my understanding that [Petitioner's husband] had a family health care plan prior to the present "Keep Fit" plan. It was not until this prior plan expired that [the Petitioner] was automatically enrolled in the present "Keep Fit" Plan. Prior to this transition, it was [the Petitioner's husband's] understanding that maternity care was covered under his prior plan as [the Petitioner] had already become pregnant and maternity care was an important aspect of his health insurance. Further, they understood that Blue Cross Blue Shield was aware of [the Petitioner's] pregnancy. Therefore, it would have been clear to any individual

that a healthcare plan with maternity coverage was essential. . . . However, instead of confirming any indication or desire of [his] in regards to his coverage, [the Petitioner] was automatically enrolled in a health care plan that would not cover significant and impending maternity care. Blue Cross Blue Shield is in business of providing health care to those in need. However, it is now seemingly turning its back on its customers.

### BCBSM's Argument

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

. . . After review, the denial of payment is maintained because maternity services were not a benefit of [the Petitioner's] contract. Therefore, she remains responsible for the non-covered charges totaling \$19,143.08.

At the time the services were rendered, [the Petitioner] was covered under the *Keep Fit and Member Edge Individual Market Certificate*. As explained on Page 3.17 of the *Certificate* in **Section 3: Coverage for Hospital, Facility, and Alternatives to Hospital Care: Hospital and Facility Care:**

#### **Inpatient Hospital Services That Are Not Payable**

- Maternity care and maternity-related services

In addition, as explained on page 4.26 of the *Certificate* in **Section 4: Coverage for Physicians and Other Professional Provider Services:**

#### **Physician and Other Professional Provider Services That Are Not Payable**

- Maternity care including delivery and pre and post-natal care visits

While we can appreciate your client's situation, we are required to administer benefits based on the terms of the contract.

### Director's Review

The record contains no information to explain how the Petitioner's health care coverage could change without her knowledge. There are some documents that suggest the change was related to the federal Patient Protection and Affordable Care Act. The Petitioner's authorized representative said that the Petitioner and her family were "automatically enrolled" in the new coverage with the understanding that it included maternity care but gave no details. But even if the Director could determine all the facts surrounding the change in the Petitioner's coverage, the Patient's Right to Independent Review Act (PRIRA) does not give the Director the authority to reform the Petitioner's current insurance contract.

The issue the Petitioner raises cannot be resolved in an external review under PRIRA. In

this review, the Director can only determine if the Petitioner received the benefits that she was entitled to under the terms of the certificate. Because the certificate clearly and unambiguously excludes coverage for maternity services and pre- and post-natal care, the Director concludes that BCBSM correctly denied coverage for those services.

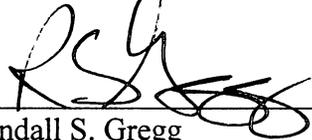
**V. ORDER**

The Director upholds BCBSM's final adverse determination of March 3, 2015.

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 Michigan 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