

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. 152663-001-SF

State of Michigan, Plan Sponsor
and
Blue Cross Blue Shield of Michigan, Plan Administrator
Respondents

Issued and entered
this 31st day of March 2016
by Sarah Wohlford
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On March 14, 2016, ██████████, on behalf of her ██████████ daughter ██████████ (Petitioner), filed a request with the Director of Insurance and Financial Services for an external review under Public Act 495 of 2006, MCL 550.1951 *et seq.*, which 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 550.1901 *et seq.* The Petitioner's health benefit plan is such a governmental self-funded plan. The benefit plan is sponsored by the State of Michigan and administered by Blue Cross Blue Shield of Michigan (BCBSM). The coverage is governed by the terms of the *Benefit Guide State Health Plan PPO*.

The Director accepted the case for review on March 21, 2016. The Director notified BCBSM of the external review request and asked for the information used to make its final adverse determination. BCBSM provided its response on March 22, 2016.

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 December 23, 2015, the Petitioner went to the emergency room of Sparrow Hospital in [REDACTED] because of breathing difficulty. She was treated in the Sparrow emergency department, remained in an observation room overnight, and left the next day. BCBSM provided coverage but also applied a \$200.00 emergency room copayment.

The Petitioner appealed BCBSM's \$200.00 copayment amount. At the conclusion of that process, BCBSM issued a final adverse determination February 29, 2016, affirming its decision. The Petitioner now seeks the Director's review of that final adverse determination.

III. ISSUE

Did BCBSM correctly apply a \$200.00 copayment to the Petitioner's emergency treatment?

IV. ANALYSIS

Petitioner's Position

In her external review request, the Petitioner's mother wrote:

I believe that the \$200 emergency room fee should be waived, as covered by the policy. On 12/23/15 I took my daughter to Sparrow's emergency room because of breathing difficulties. We were transferred as an "inpatient" to the pediatrics unit, room #535, where we spent the night. As breathing treatments and oxygen continue, she got better. The afternoon of the 24th her status was changed to "observation" and later that evening she was discharged (after some discussion, because it was Christmas) BC/BS review states my daughter was only treated in the emergency room – which isn't true.

BCBSM's Position

In its final adverse determination, BCBSM's representative wrote:

[Petitioner] is covered under *The State Health Plan (The Benefit Guide)*. According to section titled "Emergency Care" on page 13 of *The Benefit Guide*, \$200.00 copay is applied for an emergency room visit and only waived if the patient is admitted as inpatient.

According to our records, [Petitioner] was not admitted to the hospital as inpatient. As a result [Petitioner] does not meet the criteria to waive the emergency room copay requirement. Because the contract requires that emergency copay is applied for emergency room visit, the \$200.00 copay was applied appropriately. You remain liable for that amount.

During the managerial-level conference, [Petitioner's mother] expressed that she believes that [Petitioner] was admitted as inpatient. [Petitioner's mother] requested I contact Sparrow Hospital and verify if [Petitioner] was admitted as inpatient on December 24, 2015....I contacted Sparrow Hospital and the representative confirmed that [Petitioner] was not admitted as inpatient and only treated in the emergency room on December 24, 2015. As a result I am unable to grant an exception on [Petitioner's] behalf.

Director's Review

The *Benefit Guide* (page 13) provides for coverage of emergency room treatment subject to a \$200.00 copayment. The copayment is waived if the patient is admitted to the hospital as an inpatient.

The Petitioner believes that the \$200.00 copayment should be waived because she was admitted to the hospital. BCBSM contacted Sparrow Hospital and confirmed the Petitioner was not admitted as an inpatient but was in outpatient observation service. This status is determined by the provider (Sparrow Hospital). BCBSM is obligated to process provider claims according to the information submitted by the provider. Therefore, the emergency care copayment applies according to the *Benefit Guide*.

The Director finds that BCBSM's application of the \$200.00 emergency room copayment was consistent with the term of the benefit guide.

V. ORDER

The Director upholds BCBSM's final adverse determination of February 29, 2016.

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 General Counsel, Post Office Box 30220, Lansing, MI 48909-7720.

Patrick M. McPharlin
Director

For the Director:



Sarah Wohlford
Special Deputy Director