

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. 154443-001

Blue Cross Blue Shield of Michigan
Respondent

Issued and entered
this 26th day of July 2016
by **Randall S. Gregg**
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On June 5, 2016, ██████████, 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.* The review concerns a claim for air ambulance transportation.

The Petitioner receives health care benefits through a group plan that is underwritten by Blue Cross Blue Shield of Michigan (BCBSM). The benefits are defined in BCBSM's *Simply Blue HSA Group Benefits Certificate*.

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 June 12, 2016 and, after a preliminary review of the information, the Director accepted the case for review.

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 July 5, 2015, the Petitioner was seriously injured while horseback riding. She was

transported by air ambulance from a hospital in Sault Ste. Marie, Michigan to a hospital in Traverse City, Michigan. The transportation was provided by Valley Med Flight, Inc., a Utah-based air ambulance company which does not participate with BCBSM. The amount charged for the flight was \$38,833.00. BCBSM paid \$10,421.87. Valley Med Flight now seeks payment of the balance of its charge.

The Petitioner appealed the amount paid by BCBSM for the air ambulance transportation through its internal grievance process. At the conclusion of that process, BCBSM issued a final adverse determination dated May 20, 2016 affirming its decision. The Petitioner now seeks the Director's review of that final adverse determination.

III. ISSUE

Is BCBSM required to pay any additional amount for the Petitioner's air ambulance transportation?

IV. ANALYSIS

BCBSM's Position

In its final adverse determination to the Petitioner, BCBSM stated:

On July 5, 2015 [Petitioner] was covered under the *Simply Blue HSA Group Benefits Certificate with Prescription Drugs SG (Certificate)*. According to section titled "What BCBSM Pays For" on Page 15 of the *Certificate*, we pay our approved amount for the services you receive that are covered in this certificate. Page 149 of the *Certificate* defines approved amount as the lower of the billed charge or our maximum payment level for the covered service. Our reimbursement of \$10,421.87 for the July 5, 2015 air ambulance services is the full approved amount for procedure codes A0430 (ambulance service, conventional airplane service, transport, one way) and A0435 (fixed wing air mileage, per statute mile).

The services in question were reported by Valley Med Flight, Inc. This provider does not participate with Blue Cross Blue Shield (BCBS). Page 165 of the *Certificate* explains that nonparticipating providers are physicians and other health care professionals, or hospitals and other facilities or programs that have not signed a participation agreement with BCBSM to accept the approved amount as payment in full.

Payment remains denied for procedure code A0398 (ALS routine disposable supplies). Specifically, according to the Benefit Package Report, an online tool used by BCBSM to hold group specific benefit information, procedure code A0398 is not a benefit of the health care plan. As a result, payment is not available. Supplies are considered

inclusive to the other services reported for the July 5, 2015 air ambulance services [Petitioner] received and separate reimbursement is not available.

Petitioner's Position

In her request for external review, the Petitioner's representative stated that BCBSM should pay the air ambulance charges in full because it was an emergency situation.

Director's Review

Ambulance transportation is a covered benefit under the *Simply Blue* certificate of coverage (page 17). There is no dispute that the Petitioner met the criteria for the service. The only dispute is over the amount paid by BCBSM for the service.

The *Simply Blue* certificate (page 23) says that BCBSM pays its "approved amount" for services covered under the certificate, including air ambulance transport. "Approved amount" is defined in the certificate (page 149) as

[t]he lower of the billed charge or our maximum payment level for the covered service. Coinsurances and/or deductibles, which may be required of you, are subtracted from the approved amount before we make our payment.

In this case, BCBSM's maximum payment for the air ambulance service was \$10,421.87. Because that amount is lower than the billed charge from Valley Med Flight it became BCBSM's approved amount.

Valley Med Flight is not a participating provider, i.e., it has "not signed a participation agreement with BCBSM to accept the approved amount as payment in full" (certificate, page 167). Consequently, Valley Med Flight may bill the Petitioner for the difference between BCBSM's approved amount and its charge. The *Simply Blue* certificate (page 13) includes this provision:

Nonparticipating providers have not signed an agreement and can bill you for any differences between their charges and our approved amount.

In this case, BCBSM paid its full approved amount for the Petitioner's air ambulance services and is not required to pay any additional amount. The Director finds that BCBSM's payment for the Petitioner's air ambulance transport services was in accord with the terms and conditions of the *Simply Blue* certificate.

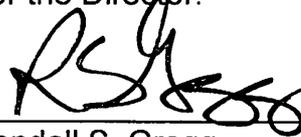
V. ORDER

The Director upholds BCBSM's final adverse determination of May 20, 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:

A handwritten signature in black ink, appearing to read 'RS Gregg', is written over a horizontal line.

Randall S. Gregg
Special Deputy Director