

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. 150222-001-SF

██████████, Plan Sponsor  
and  
BCN Service Company, Plan Administrator  
Respondents

---

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

**ORDER**

**I. PROCEDURAL BACKGROUND**

On October 6, 2015, ██████████, on behalf of her minor son, ██████████ (Petitioner), filed a request for external review with the Department of Insurance and Financial Services, appealing a claim denial issued by BCN Service Company (BCNSC), the administrator of the Petitioner's benefit plan which is sponsored by the University of Michigan.

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 benefit plan is such a governmental self-funded plan. The plan's benefits are described in the *U-M Premier Care Benefit Document*.

The Director notified BCNSC of the request for external review and asked for the information used to make its final adverse determination. The Director received BCNSC's response on October 8, 2015 and accepted the Petitioner's request on that date after a preliminary review of the material submitted. BCNSC provided additional information on October 16, 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

Between October 28, 2014 and December 19, 2014, the Petitioner received four sessions of psychotherapy from psychologist [REDACTED]. The amount charged for these services totaled \$695.00. BCNSC denied the request for coverage. The Petitioner appealed the denials through BCNSC's internal grievance process. BCNSC maintained its denial of coverage in its final adverse determination letter issued September 8, 2015. The Petitioner now seeks a review of that determination from the Director.

## III. ISSUE

Did BCNSC properly deny coverage for the Petitioner's behavioral health services?

## IV. ANALYSIS

### Respondent's Argument

In its final adverse determination BCNSC stated that the claims were denied "because the services in question were available within the network of providers."

### Petitioner's Argument

In a letter dated September 29, 2015, the Petitioner's mother wrote:

We believed these circumstances necessitated emergency psychiatric care, and we turned to our trusted youth pastor. More importantly, our *religious beliefs* guide our family philosophy, attitudes, and actions, so it was, and still is, a priority that any types of mental health services as well as physical health services are based upon the foundations of our religious beliefs. Suicide is viewed so widely differently by the population with regard to religious and non-religious beliefs. Therefore, it was our priority that our son received Christian counseling services that aligned with our biblical beliefs regarding the teachings of Jesus Christ.

\* \* \*

Below, I'd like to summarize, also, the reasoning behind our appeal which you will find detailed in the attached two appeal cover letters:

First, the treatment was essential under these emergency circumstances. Please see the enclosed letter/documentation from our primary care physician, [REDACTED]. If you refer to our primary care physician's letter, she states that "I do not believe that he would have been able to find this immediate assistance through the local contracted facilities of [REDACTED]. As they are excellent facilities, they are also very busy." Furthermore, she states, "This was considered a crisis moment."

Secondly, [Petitioner] was 14 years old, at the time, and had never experienced such personal and tragic circumstances...[N]ot ever having to deal personally with this sort of event caused [Petitioner's] father and I to make immediate decisions regarding [Petitioner] because we also knew that the death of his young friend would be an event whose effects

would be lasting and possibly intensified not only throughout the week with funeral preparations, emotional fallout, and then the funeral, but also after this incident and emotionally stressful and exhausting week due to the circumstances surrounding this death.

Thirdly, based on my own experiences in receiving behavioral health benefits through our current BCN contract...I told my husband that, in my own experience, I didn't need to get a primary physician's referral, as was explained to me by my primary physician. I was not aware that our contract required authorization, something that is built upon reducing healthcare service charges. Although I realize ignorance is not always an excuse, in this case, the emergency trumped this ignorance.

Fourthly, [REDACTED] told me that within 30 minutes after he submitted his authorization request to BCN, he was denied retroactive authorization. There was no interview questioning about or consideration given regarding the nature of and circumstances surrounding the authorization request. Furthermore, the BCN provider list of mental health professionals is sparse for licensed psychologists. That reason alone should have prompted BCN to inquire as to the nature and circumstance surrounding this authorization request rather than to answer too dismissively without regard to the expertise needed and merited.

Fifthly, Since we have paid [REDACTED] the \$695.00...we request reimbursement for the amount that would be paid normally by BCN Premier Care to the care provider because we have contracted with BCN Premier Care for a certain amount to be paid according to their fee schedule; therefore, I respectfully request reimbursement for the services in the billed timeframe during which [Petitioner] received treatment. [REDACTED] is adamant about not partnering with BCN Premier Care because of the insurance guidelines that are debatable under many behavioral health circumstances, especially those that qualify as emergency circumstances such as [Petitioner's]. I respectfully request that BCN not continue to put our family, BCN's clients who have maintained excellent standing in the history of the past six years, in the middle of this infinite argument between insurance and care provider. BCN partnered with us as client/insurance provider, and we are asking that BCN stand by its contractual obligation and reimburse us according to their fee schedule.

### Director's Review

BCNSC requires members to seek services from a contracted provider. The *U-M Premier Care Benefit Document*, on page 32, states:

Treatment for Mental Health illnesses must be provided in an approved Facility or by a Participating Provider and be Pre-authorized as Medically Necessary except in an emergency. (See Section 8.6)<sup>1</sup>

The Petitioner's mother, in her request for external review, stated that the Petitioner's friend had shot himself on October 26, 2014 and was pronounced dead the following day. According to the

---

1. The Petitioner's mother describes her son's circumstances as an emergency. However, no information was submitted for this review which would suggest that the Petitioner's condition met the definition of medical emergency found in section 8.6 of the *U-M Premier Care Benefit Document*.

Petitioner's mother, on October 27 they sought the assistance of the youth pastor in their church to find an appropriate therapist for their son. The pastor recommended [REDACTED], a licensed psychologist. The Petitioner had his first appointment with the psychologist on October 28. He then had three psychotherapy sessions on November 4, November 21, and December 19.

Jesse Soulia is not a member of the BCNSC provider network. The Petitioner's mother acknowledges this fact but believes that coverage should be provided for the therapy because her son required immediate care. The Petitioner's mother submitted a letter from their primary care physician who stated, "I do not believe that [Petitioner] would have been able to find this immediate assistance through the local contracted facilities of [REDACTED]." It cannot be determined if this belief was correct because the Petitioner's parents did not contact BCNSC or any participating provider before scheduling an appointment with [REDACTED].

The Director does not question the Petitioner's need for prompt therapy but in order to receive insurance coverage the therapy must be obtained from a participating provider and with the prior authorization of BCNSC.

The Director finds that BCNSC's denial of coverage for the psychologist's services is consistent with the terms and conditions of the *U-M Premier Care Benefit Document*.

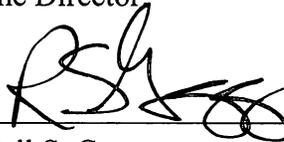
#### V. ORDER

The Director upholds BCNSC's final adverse determination of September 8, 2015.

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 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:



---

Randall S. Gregg  
Special Deputy Director