

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

In the matter of:

[REDACTED]

Petitioner,

v

File No. 148435-001

Blue Care Network of Michigan,

Respondent.

Issued and entered
this 15th day of July 2015
by Joseph A. Garcia
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On June 22, 2015, [REDACTED] (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 Petitioner receives group health care benefits through Blue Care Network of Michigan (BCN), a health maintenance organization. The Director immediately notified BCN of the external review request and asked for the information it used to make its final adverse determination. The Director received BCN's response on June 23, 2015. On June 29, 2015, after a preliminary review of the information submitted, the Director accepted the request. BCN provided additional information on July 8, 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

The Petitioner's health care benefits are defined in a certificate of coverage (the certificate) for a plan called *BCN Classic for Large Groups*. The certificate's cost-sharing provisions are amended by two riders: the *\$500 Individual/\$1,000 Family Deductible Rider* and the *20% Coinsurance Rider*.

On November 5, 2014, the Petitioner had a “well woman examination” and certain outpatient diagnostic radiology tests were ordered. The tests were performed on November 25 and November 30, 2014, and all were obtained from providers in BCN’s network.

BCN covered the diagnostic tests, and when it processed the claims it applied \$500.00 to the Petitioner’s deductible and \$95.34 in coinsurance, leaving her responsible out of pocket for \$595.34.

The Petitioner, disputing BCN’s processing of the claims, requested a review through its formal internal grievance process. At the conclusion of that process, BCN issued a final adverse determination dated May 8, 2015, upholding its decision. The Petitioner now seeks a review of that final adverse determination from the Director.

III. ISSUE

Did BCN correctly process the claims for the Petitioner’s outpatient diagnostic services on November 25 and November 30, 2014?

IV. ANALYSIS

Petitioner’s Argument

The Petitioner wants BCN to waive the cost sharing that resulted when the diagnostic services were performed. In a June 16, 2015, letter that was submitted with the external review request, the Petitioner wrote:

I am requesting that you please look into my case as it has been denied again. This time they [BCN] are saying it is being denied because of my coverage. The way they are making it sound is that since I have insurance I have to pay for these charges.

As I have said in previous letters. I did not ask for the original CT scan that my doctor said to my face in her office "Blue Care is having every patient who smokes or has smoked in the past 20 years to have a chest CT." I did not want this test, did not ask for this test, but was told by my primary [*care physician*] that it was needed.

With the way the insurance companies are now you don't dare do something to get yourself kicked off of it. I scheduled the test and had it done. As a result of the error by the operator of the test I was told I had many problems that had to have further testing done. A new mammogram and ultrasound of my breast, a MRI and had to go to a cancer specialist to consult on the results.

I do not feel that just because I have insurance they have the authority to abuse it by racking up charges that are not necessary. If these tests were ones that I had to have done it would be different but they were not relevant to my health at the time or even now. If you can please look into this for me as there are a lot of mis-statements that are being said all in order to have me pay for these unnecessary testing [sic]. I am currently not working and do not have extra money to pay for these bills and I do not want this to go to collections. I appreciate your time and effort in this matter.

Respondent's Argument

In its final adverse determination, BCN told the Petitioner:

. . . Our grievance panel . . . reviewed your request for waiver of the above cost sharing amounts, and upheld the previous denial. We based our decision on your benefits including the enclosed D500 Deductible Rider which states you have a 20% coinsurance after meeting your \$500.00 individual deductible for outpatient diagnostic services.

Director's Review

BCN's notes from its internal grievance proceedings explain the substance of the Petitioner's argument:

The [Petitioner] states in her correspondence that she feels she should not be responsible for the deductible and coinsurance due for the unnecessary testing that was ordered by her PCP following her physical and routine well woman exam on 11/5/14. She was advised to have a chest CT based on being a past smoker, and told that it was required by her insurance to have it done. The results of that test showed abnormalities, which resulted in more tests. All final tests came back normal and she strongly feels none of them were necessary or required. She doesn't feel she should have to pay the charges applied to all claims for dates of service 11/25/14 and 11/30/14.

. . . The [Petitioner] saw a PCP . . . on date of service 11/5/14, and had a physical and well woman exam. Per the office notes for that date of service, the member was ordered to have a chest CT based on being a past heavy smoker and her expressed concerns for her health based on this information.

The Petitioner wants the Director to order BCN to waive the cost sharing for the diagnostic tests she had because she believes they were "unnecessary" even though they were ordered by her physician. However, in this review, the Director can only determine if BCN correctly processed the claims for the diagnostic tests according to the terms and conditions of

the certificate. The Petitioner's allegation that unneeded medical tests were ordered must be resolved in another forum.

The *\$500 Individual/\$1,000 Family Deductible Rider* established the deductible for an individual as \$500.00 for a calendar year. While the deductible does not apply to all covered services, the exceptions in the rider do not include radiology services (the Petitioner had a mammogram, a breast ultrasound, and magnetic resonance imaging). Therefore, BCN correctly applied its approved amount for those tests to the deductible until the \$500.00 had been met.

The *20% Coinsurance Rider* added a 20% coinsurance to certain covered services, including outpatient diagnostic services. The rider explains that the coinsurance is applied after the deductible has been met.

The Director reviewed the explanation of benefit payments statements and claims information and concludes that BCN correctly processed the claims for the Petitioner's diagnostic tests when it applied both the deductible and coinsurance. On that basis, the Director upholds BCN's final adverse determination.

The Director, in this review under the Patient's Right to Independent Review Act, does not have the authority to order BCN to waive the Petitioner's cost sharing. The claims were for covered services and were submitted to BCN by in-network providers. The Petitioner should discuss the propriety of the tests she received with her primary care physician.

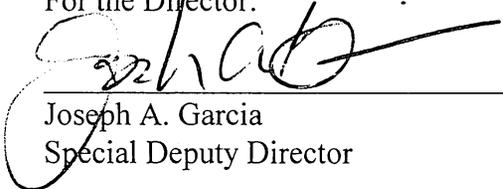
V. ORDER

The Director upholds BCN's final adverse determination of May 8, 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. 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.

Patrick M. McPharlin
Director

For the Director:



Joseph A. Garcia
Special Deputy Director