

**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. 154022-001

Grand Valley Health Plan  
Respondent

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Issued and entered  
this 27<sup>th</sup> day of June 2016  
by Randall S. Gregg  
Special Deputy Director

**ORDER**

**I. PROCEDURAL BACKGROUND**

On June 7, 2016, ██████████ (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 Director accepted the request on June 14, 2016.

The Petitioner receives health care benefits through Grand Valley Health Plan (GVHP), a health maintenance organization. The Director asked GVHP for the information used to make its final adverse determination. The Director received GVHP's response on June 20, 2016.

The issue in this external review can be decided by a contractual analysis. The Director reviews contractual issues pursuant to MCL 500.1911 (7). This matter does not require a medical opinion from an independent review organization.

**II. FACTUAL BACKGROUND**

The Petitioner's benefits are described in the GVHP's *Grand Choice* certificate of coverage. The certificate provides two levels of benefits. The Enhanced benefit level covers services arranged, authorized in advance and determined to be medically necessary by a GVHP family health center practitioner. It does not cover treatment provided by nonparticipating providers. The Choice benefit level allows an individual to

select treatment from any provider within GVHP's extended network of providers. The required deductible for Enhanced level benefits is \$500.00 per calendar year. The deductible for Choice level benefits is \$1,000.00.

On January 11, 2016, the Petitioner had an appointment with his heart specialist and received an electrocardiograph test at Spectrum Health Butterworth in Grand Rapids. The amount charged for the test was \$1,145.89. GVHP approved \$910.08 for the test but applied this amount to the deductible for the Petitioner's Choice benefits.

The Petitioner appealed the application of the deductible through GVHP's internal grievance process. At the conclusion of that process, GVHP affirmed its benefit determination in a final determination dated May 20, 2016. The Petitioner now seeks the Director's review of that final adverse determination.

### III. ISSUE

Did GVHP correctly process the Petitioner's January 11, 2016 claim?

### IV. ANALYSIS

#### Petitioner's Argument

In his request for external review, the Petitioner states that he selected the GVHP *Grand Choice* plan but was confused about getting preauthorization and the deductible he would have to pay. He says he was told by GVHP staff that the only way he could see his long-time heart specialist, Dr. [REDACTED], was by having a preauthorization from GVHP. He says he also was told by GVHP staff that the \$500.00 deductible he had already paid would mean that there would be no additional deductible if he had an appointment with Dr. [REDACTED].

He states that if GVHP's customer service staff had told him that that his echocardiogram and appointment with Dr. [REDACTED] would be subject to the higher \$1,000.00 deductible he would not have made the appointment with Dr. [REDACTED]. He has now been billed for \$910.08 by Spectrum Health. He believes GVHP should provide coverage for this bill with no deductible because GVHP gave him misleading information.

#### Respondent's Argument

In its final adverse determination, GVHP wrote:

[A]fter deliberating on the information presented and due to the terms of

the contract, the Grievance Committee voted to deny your request for full coverage and waiver of your Choice Deductible for the testing services you received on January 11, 2016. Again, the details of your coverage can be found in the GVHP Certificate of Coverage and your \$1,000/\$500 Deductible Rider as follows:

**Schedule of Copayments, Coinsurance and Deductibles  
Grand Choices EHB Plan 7**

*Your plan may have a Deductible. A Deductible is the amount you must pay before Grand Valley Health Plan will pay for Covered Services under your Certificate of Coverage. Deductibles if any are detailed in a Rider attached to the Certificate of Coverage. **Deductibles for Choice and Enhanced benefits are separate and must be met independently of each other.***

**\$1000/500 DE DED  
\$1000 Choice/\$500 Enhanced Deductible  
Rider to the  
GRAND VALLEY HEALTH PLAN  
Certificate of Coverage**

*This \$1,000 Choice /\$500 Enhanced deductible rider amends the basic Certificate to add a \$1,000 deductible on Choice Services per member per contract year...*

*All services with the exception of preventive health care services, GVHP Health Center services, GVHP Diagnostic Radiology Center services, and GVHP Urgent Care Center services, are subject to a \$1,000 Choice/\$500 Enhanced deductible per member per contract year, up to a maximum of two individual deductible fulfillments per family per contract year. **Combined deductibles do not satisfy the requirement.***

Director's Review

The Petitioner argues that GVHP misled him to believe that the care on January 11, 2016, would not be subject to a deductible charge and, for that reason, GVHP should be required to pay for his medical services on that date. In conducting reviews under the Patient's Right to Independent Review Act (PRIRA), the Director is limited to resolving questions of medical necessity and determining whether an insurer's final adverse determination is consistent with the terms of the relevant policy or certificate. See MCL 550.1911(13). Under the PRIRA, the Director has no authority to amend the terms of an insurance policy to require an insurer to provide coverage that is inconsistent with policy's actual benefits.

Services provided under the Choice benefit provisions of the *Grand Choice* certificate of coverage require a \$1,000.00 deductible. This is separate from the \$500.00 deductible applicable to services arranged under the Enhanced benefit provisions of the certificate of coverage. Based on this requirement, the Director finds

that GVHP's application of its approved amount toward the Petitioner's unmet Choice deductible for his January 11, 2016 services is consistent with the terms of the *Grand Choice* certificate of coverage and related rider.

**V. ORDER**

The Director upholds GVHP's May 20, 2016 final adverse determination. GVHP is not required to waive the deductible applied to the Petitioner's January 11, 2016 medical care.

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 'R. S. Gregg', is written over a horizontal line.

Randall S. Gregg  
Special Deputy Director