

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

**In the matter of:**

[REDACTED]

**Petitioners**

**v**

**File No. 149373-001**

**Health Alliance Plan of Michigan,  
Respondent.**

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**Issued and entered**  
this 4<sup>th</sup> day of September 2015  
by **Joseph A. Garcia**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

[REDACTED] (Petitioners) were dissatisfied with their health plan's decision to remove them from participation in a "health engagement program" that would have reduced their out-of-pocket costs.

On August 14, 2015, the Petitioners filed a request with the Director of Insurance and Financial Services for an external review of that decision under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.*

The Petitioners receive group health care benefits through Health Alliance Plan of Michigan (HAP), a health maintenance organization. The Director notified HAP of the external review request and asked for the information it used to make its final adverse determination. HAP initially submitted information on August 19, 2015. HAP submitted additional information on August 21, 2015, and, after a preliminary review of the material submitted, the Director accepted the request on that date.

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**

The Petitioners' health care benefits are defined in HAP's *HMO Subscriber Contract. Rider 301 - Health Engagement Program* amends the contract to establish a health engagement program called *Aspire* that rewards subscribers who adopt certain healthy practices by lowering their cost sharing for health care services (referred to as "enhanced benefits").

On August 1, 2014, the Petitioners enrolled in Aspire. In order to continue to receive enhanced benefits in 2015, the Petitioners were required to complete three steps by March 31, 2015:

- have their physician complete the member qualification form (MQF);
- obtain a score of at least 80 points on the MQF; and
- complete the free online Health Risk Assessment (HRA).

The Petitioners' physician completed the MQF but according to HAP, the Petitioners did not submit their completed HRAs by the March 31, 2015, deadline. Consequently, on April 1, 2015, HAP placed them in "standard benefits" with higher cost sharing.

The Petitioners appealed HAP's decision through its internal grievance process. At the conclusion of the process, HAP issued final adverse determinations to each Petitioner dated June 24, 2015, upholding its decision. The Petitioners now seek a review of those final adverse determinations from the Director.

### III. ISSUE

Did HAP correctly remove the Petitioners from Aspire?

### IV. ANALYSIS

#### Petitioners' Argument

In a letter dated August 11, 2015, included with the external review request, the Petitioners wrote:

We would like to request an External Review and reconsideration of myself and my wife's classification into the standard vs enhanced HAP plan due to our late HRA completion online. We would also like to request full financial coverage for two procedures - removal of [REDACTED] lipomas and [REDACTED] annual mammogram. We received the final internal decision notification letter from HAP on June 24, 2015 that denied our 2nd level appeals.

We completed our MQF form submissions on time, but mistakenly did not complete our HRA forms by 3/31/15. Once receiving the latest letter from HAP stating that we did not meet the requirements, my wife and I completed the HRA online immediately. The HRA's were both completed on 4/26/15 and have reviewed our Health improvement plans. We relocated back to the US in July 2014 after being in [REDACTED] for 3 years on International Assignment with Ford, and we did not have the prequalifying HRA upon arrival. . . . The HRA online was an oversight on our part and would have been completed if we had been in the country the year before during enrollment period. If we would have realized it was a requirement, we absolutely would have completed the HRA's on time.

Whenever we have been with HAP as members in the past years prior to our living overseas in [REDACTED] we have always maintained an Enhanced plan status.

We would like to be reconsidered for Enhanced Plan status, and will complete all necessary paperwork (physician and online assessments) on time in the future during the enrollment period. Thank you for your consideration and time taken in this matter.

### Respondent's Argument

In the final adverse determinations dated June 24, 2015, HAP wrote to the Petitioners:

We upheld the denial because the Health Risk Assessment (HRA) was not completed during the qualification period. The qualification period for [REDACTED] Company employees was from October 1, 2014 to March 31, 2015. Our records indicate you have not completed the HRA.

\* \* \*

**We reviewed the following documents and statements to make this decision:**

- Health Alliance Plan Health Engagement Program Rider 301

In a letter dated August 18, 2015, submitted for this external review, HAP further explained its position:

According to our review, [REDACTED] Company elected to offer their employees a Health Engagement Benefit Plan. The HAP Aspire Health Engagement program provides members with two benefit options, the Enhanced Benefit Plan and the Standard Benefit Plan. The Enhanced plan requires members and their spouse to complete the following three steps during the qualification period of October 1, 2014 thru March 31, 2015.

- Have your personal care physician (PCP) complete the Member Qualification Form (MQF)
- Score at least 80 points on the MQF
- Log in at hap.org and complete the free online Health Risk Assessment (HRA)

The Standard Plan provides the same quality of care, but with higher copays and deductibles. Members are transferred to the Standard Plan for (12) consecutive months if the Health Engagement requirements are not met by the March 31, 2015 deadline.

[The Petitioners'] original enrollment date is August 1, 2014. From August 1, 2014 thru March 31, 2015, they were enrolled into the Enhanced Benefit Plan; effective April 1, 2015, the plan changed from the Enhanced Benefit Plan to the Standard Benefit Plan. The First and Second Level Appeals were denied because [the Petitioners] did not complete the online HRA during the qualification period. Both [Petitioners] completed the online HRA on April 26, 2015. We applaud their successful effort in completing the MQF within the qualification period. Unfortunately, this alone does not complete the Health Engagement program requirements. HAP partners with [REDACTED] Company to ensure that members meet all of the Health Engagement program requirements before the specified deadline.

The Health Engagement Welcome Kit is sent only to the subscriber . . . and it contains the MQFs for both the subscriber and spouse. However, the Health Engagement reminder letters are sent separately to the subscriber and the spouse.

HAP provided copies of letters dated January 27 and February 24, 2015, sent to both Petitioners reminding them to complete the steps to remain in enhanced benefits.

Director's Review

The Aspire program was offered to the Petitioners' group health plan to encourage and reward "healthier lifestyle choices" with lower out-of-pocket costs.<sup>1</sup> The Health Engagement Program rider and the letters that HAP sent to the Petitioners clearly explained what needed to be done to retain enhanced benefits in the Aspire program. The Petitioners acknowledged that they did not complete their HRA forms by the March 31, 2015, deadline.

There is nothing in the rider that requires HAP to make an exception for the Petitioners and nothing in the subscriber contract, the rider, or state law that would allow the Director to amend the terms of coverage because of the circumstances in this case. Unfortunately, the Petitioners will have to requalify for the enhanced benefits during the next qualification period.

The Director finds that HAP's decision to place the Petitioners in standard benefits after March 31, 2015, was consistent with the terms of the Health Engagement Program rider.

**V. ORDER**

The Director upholds Health Alliance Plan of Michigan's June 24, 2015, final adverse determinations.

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 Director 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

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<sup>1</sup> Health maintenance organizations are permitted to offer these programs. See MCL 500.3517.