

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. 149969-001

Health Alliance Plan of Michigan
Respondent

Issued and entered
this 15th day of October 2015
by Randall S. Gregg
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On September 21, 2015 ██████████, on behalf of his wife ██████████ (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.* On September 28, 2015, after a preliminary review of the information submitted, the Director accepted the request.

The Petitioner receive individual health care benefits from Health Alliance Plan of Michigan (HAP), a health maintenance organization. The benefits are defined in HAP's *HMO Non-Group Subscriber Contract for Individuals and Families*. The Director notified HAP of the request for review and asked for the information HAP used to make its final adverse determination. HAP provided its response on October 2, 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

On July 24, 2015, while the Petitioner was pregnant, she had blood drawn for two laboratory tests, a general health panel and a vitamin D test. HAP provided coverage but assessed a deductible charge of \$112.34.

The Petitioner appealed the application of a deductible charge through HAP's internal grievance process. On September 16, 2015, HAP issued a final adverse determination affirming its decision. The Petitioners now seek a review of that final adverse determination from the Director.

III. ISSUE

Did HAP correctly apply a deductible charge to the claim for the Petitioner's July 24, 2015 laboratory services?

IV. ANALYSIS

Respondent's Argument

In the final adverse determination HAP wrote:

Background Information: On August 19, 2015, we received an appeal that you submitted on behalf of your spouse, disputing the deductible charges she incurred for services rendered on July 24, 2015. Prenatal laboratory services were provided at Henry Ford West Bloomfield Hospital.

Final Internal Adverse Benefit Determination: We upheld the decision, because the above claim was processed correctly based on [Petitioner's] policy. According to the Summary Benefits and Coverage, you must pay all the cost up to the deductible amount, before this plan begins to pay for covered services. In addition, page 4 of the Summary of Benefits and Coverage states if you are pregnant there is no charge after the deductible for Prenatal/Postnatal Care as well as Delivery and all inpatient services. Therefore, the deductible amount of \$112.34, for the above services, is your wife's contractual obligation.

Petitioner's Argument

In the request for external review, the Petitioner wrote:

For date of service July 24 2015, the required prenatal care services with related lab test were not covered according to HAP Personal Alliance HMO own policy this is a recurring issue and has been dealt with on the last occurrence through the intervention of DIFS consumer services analyst [REDACTED]. I have already provided my grievance to the HAP Appeal & Grievance Analyst [REDACTED] [REDACTED]... This plan is a qualified health plan and HAP is not in accordance with the procedures governing minimum essential coverage for prenatal care. Furthermore HAP is a fully owned subsidiary of HFHS [Henry Ford Health System] and the affordable care act mandates one ultrasound during the course of a routine pregnancy. HAP only covers one ultrasound using the transabdominal

approach HAPs parent company HFHS does not perform this type of ultrasound, at the admission of the Henry Ford Obstetricians I have spoken to at the women's health center at Henry Ford Hospital where I currently receive care. Therefore HAP does not cover ultrasound at all because the Henry Ford Choice only allows [patients] to visit HFHS doctors. I will be reporting this malfeasance on HAPs behalf to the appropriate authorities governing violations to ACA by qualified health plans....

Director’s Review

The Petitioner’s request for external review indicates that she is appealing HAP’s coverage of services received on July 24, 2015. There is no evidence that the Petitioner received an ultrasound on that date. The Petitioner’s request for review focuses on her concerns about HAP’s alleged failure to provide appropriate coverage for an ultrasound. However, the Petitioner has not submitted a final adverse determination from HAP establishing that she has completed an internal appeal concerning denial of coverage for an ultrasound. For that reason, the Director cannot initiate an external review addressing the Petitioner’s complaint about coverage for an ultrasound. In this order, then, the Director will address only the July 24 laboratory tests, for which HAP has denied coverage.

In its final adverse determination, HAP acknowledges that the July 24 laboratory tests were prenatal care. The HAP policy provides that no cost sharing be imposed for prenatal care. HAP cites its Summary of Benefits as support for its decision. The Summary of Benefits does state that a deductible is required for prenatal care. But it also includes a second provision that states there is no charge for prenatal care. These contradictory provisions appear in the table reprinted below at it appears in the Summary of Benefits:

Common Medical Event	Services You May Need	Your Cost if you Use an In-Network Provider	Your Cost if you Use an Out-of-Network Provider	Limitations & Exceptions
If you are pregnant	Prenatal and postnatal care	No Charge after deductible	Not Covered	No Charge for Prenatal visits.

Given these contradictory provisions, the Director finds that the Summary of Benefits is not an appropriate document to determine coverage. In addition, the Summary of Benefits itself, on page 1, cautions the insured:

This is only a summary. If you want more detail about your coverage and costs, you can get the complete terms in the policy or plan document.

HAP’s *HMO Non-Group Subscriber Contract for Individuals and Families* (pages 9-10) provides this description of coverage for prenatal care:

3.4 Preventive Care Services

Preventive services are those services necessary to help avoid the development of disease processes, as defined by the Affordable Care Act (ACA). In accordance with the ACA, preventive services are provided without Cost-Sharing....

Covered Services

Preventive services include the following:

* * *

12. Prenatal Care

This provision is the definitive statement of coverage for prenatal care. It provides for coverage without cost sharing. The Director therefore finds that HAP's application of a deductible to the Petitioner's July 24, 2015 laboratory services is inconsistent with the terms of the *HMO Non-Group Subscriber Contract for Individuals and Families*.

V. ORDER

The Director reverses Health Alliance Plan of Michigan's September 16, 2015, final adverse determinations. HAP shall immediately process the claim for the July 24, 2015 laboratory tests without cost sharing. See MCL 550.1911(17). HAP shall, within seven days of providing coverage, provide the Director proof it has implemented this order.

To enforce this order, the Petitioner may report any complaint regarding its implementation the Department of Insurance and Financial Services, Health Plans Division, toll free 877-999-6442.

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:



Randall S. Gregg
Special Deputy Director