

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

In the matter of:

██████████
Petitioner

v

HealthPlus Insurance Company
Respondent

File No. 147414-001

Issued and entered
this 8th day of May 2015
by Randall S. Gregg
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On April 17, 2015, ██████████ (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 health care benefits under an individual plan underwritten by HealthPlus Insurance Company (HealthPlus). The Petitioner's health care benefits are defined in the HealthPlus *Signature PPO Individual Certificate of Coverage*.

The Director notified HealthPlus of the external review request and asked for the information it used to make its adverse determination. HealthPlus furnished its response on April 22, 2015. After a preliminary review of the material received, the Director accepted the case on April 24, 2015.

This case presents an issue of contractual interpretation. 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 November 24, 2014, the Petitioner had a routine physical examination. Her physician ordered several laboratory tests. After the examination, blood was drawn at ██████████ ██████████ for the tests. HealthPlus approved coverage for the examination and the laboratory tests. HealthPlus did not charge any deductible for the examination or for six of the lab tests but

did charge a deductible for the other several tests which HealthPlus considered to be diagnostic tests subject to the health plan's deductible requirement.

The Petitioner appealed the benefit decision through the HealthPlus internal grievance process. At the conclusion of that process, HealthPlus issued a final adverse determination dated March 19, 2015 affirming its decision. The Petitioner now seeks the Director's review of that adverse determination.

III. ISSUE

Was HealthPlus correct to assess a deductible for several of the laboratory tests ordered by the Petitioner's physician November 24, 2014?

IV. ANALYSIS

Respondent's Argument

In its final adverse determination issued to the Petitioner, HealthPlus wrote:

[Y]ou indicated that the tests ordered were in conjunction with your annual well-visit. As an explanation, it is not uncommon for physicians to order diagnostic tests in conjunction with well-visits/preventive visits. However, this does not change the fact that the test is considered diagnostic, meaning they are ordered for the purpose of your specific needs and diagnosing illness/injury. Appropriate cost-sharing is applied to diagnostic tests....

Our records indicate that there were thirteen tests performed, along with the venipuncture:

80053 Comprehensive metabolic panel	80061 lipid profile
81003 Urinalysis	81015 Microscopic exam of urine
82306 Vitamin D	82728 Ferritin
82726 Folic Acid	83036 a1c
83540 Iron	83550 Iron binding capacity
84439 Thyroxine, free	84443 Thyroid stimulating hormone
85025 Automated hemogram	36415 Venipuncture

Please note, of these [13] tests, six are considered to be preventive; please see enclosed Explanation of Benefits (EOB):

80053 Comprehensive metabolic panel	80061 Lipid profile
81003 Urinalysis	81015 Microscopic exam of urine
83036 A1C	85025 Automated hemogram

The remaining seven are considered diagnostic, therefore applying the applicable deductible/coinsurance (cost-sharing). The additional diagnostic tests were

HealthPlus covers in-network diagnostic services at 70 percent of its allowed amount after the deductible is met. Since the Petitioner had not satisfied her deductible at the time the claim for the laboratory services was filed, HealthPlus applied its approved amount for the laboratory services to the Petitioner's unmet deductible as required by the Petitioner's health plan.

The Director finds that HealthPlus correctly processed the claim for laboratory services ordered by the Petitioner's doctor on November 24, 2014.

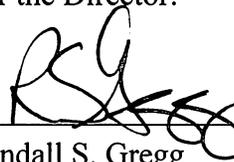
V. ORDER

The Director upholds HealthPlus Insurance Company's March 19, 2015, final adverse determination.

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.

Annette E. Flood
Director

For the Director:



Randall S. Gregg
Special Deputy Director

ordered by your doctor based on your unique health care needs and not considered preventive in nature.

Petitioner's Argument

In her request for external review, the Petitioner wrote:

My husband and I went for our annual physical on 11/24/2014. Dr. Toomajian sent us to get our blood drawn on the 1st floor right after our visit. I had no idea that we could or would be incurring any expenses. I understand our physicals to be covered 100%. I received a bill for over \$260! I did not know this was going to happen.

Director's Review

Laboratory tests can be classified as either preventive or diagnostic. The Petitioner's *Signature PPO Individual Certificate of Coverage*, on page 5, defines preventive services:

- 2.60** "Preventive Services" means those services aimed at prevention, early detection, and early treatment of health conditions. This includes, but is not limited to, routine physical examinations, routine gynecological services, immunizations, preventive diagnostic screenings, and well person care.

The Patient Protection and Affordable Care Act, a federal statute, requires health plans and insurers to provide coverage without cost sharing for preventive care services if those services are rated "A" or "B" by the United States Preventive Services Task Force (USPSTF). This rating is published by the USPSTF and lists, among other services, all the laboratory tests ordered by the Petitioner's doctor. The classification of the Petitioner's tests is accurately depicted in the HealthPlus final adverse determination, above.

The Petitioner argues that she should not have any cost-sharing for the lab services she received on November 24, 2014 because those services were associated with her annual physical, which was a preventive service and, as such, was not subject to a deductible or other cost-sharing. However, not all the laboratory tests were preventive services; some tests were diagnostic services that are subject to the cost-sharing as detailed in the schedule of benefits.

HealthPlus paid 100 percent of its approved amount for the preventive office visit and six of the tests: the comprehensive metabolic panel, lipid profile, urinalysis, microscopic exam of urine, A1C and the automated hemogram. Because some of the laboratory tests the Petitioner received were not rated A or B by the USPSTF, they are subject to the cost-sharing requirements of the Petitioner's health plan.