

**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. 147417-001**

**HealthPlus Insurance Company,**

**Respondent.**

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**Issued and entered**  
**this 13<sup>th</sup> day of May 2015**  
**by Randall S. Gregg**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

On April 17, 2015, ██████████, authorized representative of her spouse ██████████ (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 through an individual plan underwritten by HealthPlus Insurance Company. The Director immediately notified HealthPlus of the external review request and asked for the information it used to make its adverse determination. HealthPlus responded on April 22, 2015. After a preliminary review of the material received, the Director accepted the request 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**

As identified by HealthPlus, the Petitioner's health care benefits are defined in the HealthPlus *Signature Select and Savings Individual Certificate of Coverage* (the certificate), a *Schedule of Benefits*,<sup>1</sup> and *Deductible Rider SSDD5000*.

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<sup>1</sup> PPO Signature Select (Plan Code 4H).

As part of his annual physical examination on November 24, 2014, the Petitioner had nine laboratory tests performed by [REDACTED], an in-network provider. HealthPlus covered four of the tests at 100% of its allowed amount but applied its allowed amount for the other five tests to the Petitioner's annual deductible, making the Petitioner responsible for \$202.26 in out-of-pocket costs.

The Petitioner, believing that no cost sharing should apply to the laboratory tests, appealed the processing of the claims through HealthPlus's 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 final adverse determination.

### III. ISSUE

Did HealthPlus correctly process the claims for the laboratory services on November 24, 2014?

### IV. ANALYSIS

#### Petitioner's Argument

In his request for external review, the Petitioner wrote:

On 11/24/2014, I went in . . . for my annual physical. I signed up for this health insurance so I could be sure to get an annual physical that is covered 100%. That was my thought when I went in for the appointment. I had no idea that the physical could or would be incurring over \$200 of out of pocket expenses! It was an honest case of 'I didn't know what I didn't know' or I would have asked more questions before.

In February 2015 the Petitioner had written to HealthPlus about his complaint:

I went for my annual physical in November of 2014. I recently received a bill for the laboratory services related to that visit. I am asking for your assistance in this matter. I had no idea that I would be incurring lab service fees for this physical, and don't feel that I should be responsible for this being applied to the deductible.

Immediately after my doctor visit, the doctor sent me to the lab to have my bloodwork done. I sincerely thought and understood it to be routine bloodwork as in a typical physical, and did not even realize that I would be incurring fees. This is a difficult situation for me to go into a physical expecting it to be 100% covered and then finding out afterward that the cost is over \$200.

#### Respondent's Argument

In its final adverse determination, HealthPlus informed the Petitioner:

. . . Your case has been reviewed by HealthPlus' Director of Customer Service. . . . She has determined that the claim processed correctly according to the terms of your Schedule of Benefits (SOB).

Her decision is supported by your enclosed SOB; section **Physician Services**, All other Physician/Practitioner Covered Services: Member pays 30% of [HealthPlus's] reimbursement rate after Deductible is met.

\* \* \*

Our records indicate that you had not met your \$5,000 Individual Deductible for 2014; therefore the \$147.48 applied to your deductible correctly.

In an April 22, 2015, letter submitted for this external review, HealthPlus also wrote:

. . . The [Petitioner] feels he should not be financially responsible for laboratory services associated with his Preventive Service, at an in-network lab. However, since the provider billed using location code for physician office/services the laboratory claims processed under physician services, which requires that the member's deductible is met and then the member pays a 30% co-insurance after the deductible is met.

#### Director's Review

The Petitioner had certain laboratory services on November 24, 2014, from an in-network provider. HealthPlus applied its approved amount for these services to the Petitioner's in-network deductible:

<u>Procedure Code</u>	<u>Description of Service</u>
G0103	Prostate cancer screening; prostate specific antigen test (PSA)
36415	Routine venipuncture
82306	Calcidiol (25-hydroxyvitamin D [25(OH)D]) serum testing
84439	Thyroid function test; thyroxine free
84443	Thyroid function test; thyroid stimulating hormone (TSH)

The Director concludes that HealthPlus was wrong when it subjected the services above to a deductible.

The *Schedule of Benefits* (p.1) "indicates which services are subject to the Deductible." In the section "Laboratory and Diagnostic Services" (p. 5) the *Schedule* says "laboratory and pathology tests" are "Covered at 100%." While the *Schedule* specifically notes that some laboratory and diagnostic services are subject to the deductible and/or coinsurance (e.g., diagnostic radiological services and certain imaging services), there is no mention of a deductible or other cost sharing for laboratory and pathology tests in either the *Schedule of Benefits* or the certificate. The Director therefore concludes and finds that HealthPlus must cover the Petitioner's laboratory and pathology tests 100% with no cost sharing.

To justify the imposition of the deductible, HealthPlus also said that “since the provider billed using location code for physician office/services[,] the laboratory claims processed under physician services, which requires that the member’s deductible is met and then the member pays a 30% co-insurance after the deductible is met.” The Director also rejects that argument. HealthPlus has pointed to nothing in the certificate or in the *Schedule of Benefits* to support its contention, and the Director found nothing in the certificate or the *Schedule* that explains that laboratory and pathology tests are treated differently for cost sharing purposes if they are performed in a physician’s office rather than another location.

### V. ORDER

The Director reverses HealthPlus Insurance Company’s March 19, 2015, final adverse determination.

HealthPlus shall immediately cover all the Petitioner’s laboratory and pathology tests on November 24, 2014, at 100% of its allowed amount with no cost sharing, and shall, within seven days, furnish the Director with proof it has implemented this Order.

To enforce this Order, the Petitioner may report any complaint regarding its implementation to the Department of Insurance and Financial Services, Health Care Appeals Sections, at this toll free telephone number: (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 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:



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Randall S. Gregg  
Special Deputy Director