

**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. 148707-001**

**HealthPlus Insurance Company**

**Respondent**

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**Issued and entered**  
this 13<sup>th</sup> day of August 2015  
by Joseph A. Garcia  
Special Deputy Director

**ORDER**

**I. PROCEDURAL BACKGROUND**

On July 7, 2015, ██████████ (Petitioner) filed a request with the Department 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 (HealthPlus). The Petitioner's health care benefits are described in the HealthPlus *Signature PPO Individual Certificate of Coverage*.

The Director notified HealthPlus of the request and asked for the information used to make its final adverse determination. HealthPlus provided its response on July 7, 2015. On July 14, 2015, after a preliminary review of the information submitted, the Director accepted the request.

The medical issues in this case were evaluated by an independent review organization which provided its analysis and recommendation to the Director on July 27, 2015.

**II. FACTUAL BACKGROUND**

The Petitioner is ██████ years old and has Type I diabetes. His physician prescribed a continuous glucose monitor and related supplies to manage his condition. The Petitioner requested that HealthPlus provide coverage for these items. HealthPlus denied the request.

The Petitioner appealed the denial through the HealthPlus internal grievance process. At the conclusion of that process, HealthPlus issued its final adverse determination dated June 8, 2015, upholding the denial. The Petitioner now seeks review of that determination from the Director.

### III. ISSUE

Did HealthPlus correctly deny coverage for the Petitioner's continuous glucose monitor?

### IV. ANALYSIS

#### Respondent's Argument

In its June 8, 2015 final adverse determination HealthPlus wrote:

Your case had been reviewed by a Medical Director, a D.O. board certified in Family Practice and Health Plus's Director of Consumer Service, with seventeen years of experience in the health care industry. It has been determined to uphold the denial.

This decision is based on your enclosed Certificate of Coverage (COC). Section VII-Covered Services, (7.17) Diabetic Services, which states continuous glucose monitors are not covered. As an explanation, medical directors review authorization requests based on medical necessity, not benefit structure. Medical necessity does not supersede the terms of your COC.

#### Petitioner's Argument

The Petitioner's physician wrote in support of the request for coverage:

[Petitioner has a] history of diabetes mellitus diagnosed on March 17, 1996. The patient is on multiple daily injections of insulin. Despite the patient's compliance with diet and therapy, his blood sugars have been fluctuating. He does monitor his blood sugars four to eight times a day. He has hypoglycemic symptoms and awareness and several severe episodes of hypoglycemia on February 14, 2015 which required emergency treatment. The patient suffered a cut to his face and required 12 surgical sutures. The patient was advised of using DexCom monitor to continuously monitor his blood sugars 24 hours a day.

#### Director's Review

The *Signature PPO* certificate of coverage (on page 33) and the certificate's Schedule of Benefits (on page 14) state that coverage is provided for blood glucose monitors but no coverage is provided for continuous glucose monitors.

Michigan law requires coverage for blood glucose monitors. Section 3406p(3)(a) of the Michigan Insurance Code, MCL 500.3406p(3)(a), provides:

An expense-incurred hospital, medical, or surgical policy or certificate delivered or issued for delivery in this state and a health maintenance organization contract shall include coverage for the following equipment, supplies, and educational training for the treatment

of diabetes, if determined to be medically necessary and prescribed by an allopathic or osteopathic physician:

- (a) Blood glucose monitors and blood glucose monitors for the legally blind.

The statute does not specify which type of monitor must be covered and which type may be excluded. The statute does not restrict the scope of its mandate to a particular type of monitoring device.

HealthPlus explained its coverage denial in more detail in a May 22, 2015 letter to the Petitioner's doctor:

This decision is based on the HealthPlus Reference and Controls Processing Guideline; Insulin Infusion Pump (External). The guideline shows a continuous glucose monitor may be covered if there are documented recurrent episodes of hypoglycemia (low blood sugars) and severe hypoglycemia that occurs without warning. Documentation does not show recurrent episodes of hypoglycemia and hypoglycemia unawareness. The requested items are not covered.

This statement describes an exception to the HealthPlus exclusion of continuous glucose monitors: If certain medical conditions are documented (such as recurrent hypoglycemia) continuous glucose monitors become medically necessary and may be covered.

To complete this review, the Director must evaluate the issues of the presence of recurrent hypoglycemia and whether a continuous glucose monitor is medically necessary for the medical management of the Petitioner's condition. For that reason, the Director assigned these medical questions to an independent review organization (IRO) for analysis as required by section 11(6) of the Patient's Right to Independent Review Act, MCL 550.1911(6). The IRO reviewer is a physician who is board certified in internal medicine and endocrinology and has been in practice for more than twelve years. The reviewer is familiar with the medical management of patients with the Petitioner's condition. The reviewer's report included the following analysis and recommendation:

[T]his case involves a ■■■ year-old male who has a history of type I diabetes mellitus. At issue in this appeal is whether a continuous glucose monitor is medically necessary for treatment of the member's condition.

According to the American Association of Clinical Endocrinologists Guidelines, insulin pump therapy with a continuous glucose monitoring system is indicated in patients with type I or type II diabetes mellitus who need to reestablish blood glucose control after acute episodes of hypoglycemia, ketoacidosis, hyperosmolar coma or other complications, switch from conventional insulin injections to pump therapy, manage sustained elevations of glycosylated hemoglobin, manage unstable blood glucose levels with large glycemic fluctuations, respond to hypoglycemic unawareness and respond to frequent or severe nocturnal hypoglycemia....[T]he member has long-standing type I diabetes

mellitus...[T]he member has unstable blood glucose levels with large glycemc fluctuations and wide fluctuations in preprandial blood sugars, as well as hypoglycemia.

Pursuant to the information set forth above and available documentation...a continuous glucose monitor is medically necessary for treatment of the member's condition.

[References omitted]

While the Director is not required in all instances to accept the IRO's recommendation, the recommendation is afforded deference by the Director. *Ross v Blue Care Network of Michigan*, 480 Mich 153 (2008). In a decision to uphold or reverse an adverse determination the Director must cite "the principal reason or reasons why the [Director] did not follow the assigned independent review organization's recommendation." MCL 550.1911(16)(b). The IRO's analysis is based on extensive experience, expertise, and professional judgment. The Director can discern no reason why the IRO's recommendation should be rejected in the present case.

The Director finds that the continuous glucose monitor is medically necessary for management of Petitioner's condition. The HealthPlus denial of coverage is inconsistent with the policy, stated in its May 22, 2015 letter, of providing coverage for continuous glucose monitors when medically necessary.

#### V. ORDER

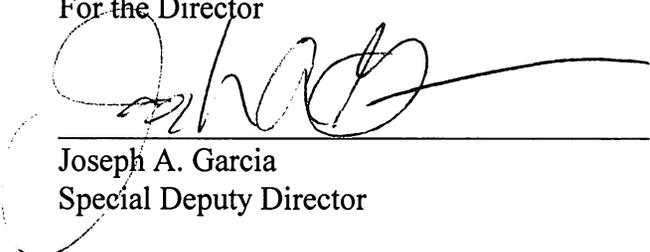
HealthPlus Insurance Company's final adverse determination of June 8, 2015 is reversed. HealthPlus shall immediately authorize and cover the Petitioner's continuous glucose monitor, and shall, within seven days of providing coverage, furnish the Director with proof it has implemented this order.

To enforce this order, the Petitioner may report any complaint regarding its implementation to the department of Insurance and Financial Services, Health Care Appeals Section, 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 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



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Joseph A. Garcia  
Special Deputy Director