

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. 150697-001

Issued and entered
this 2nd day of December 2015
by Randall S. Gregg
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On November 3, 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 Network* 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 responded on November 6, 2015. After a preliminary review of the material received, the Director accepted the case on November 10, 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

The Petitioner has a neurologic disability and is seeking coverage for the RT200 functional electrical stimulator recumbent elliptical ergometer (referred to in this order as "RT200"). It is considered to be an item of durable medical equipment and is sold by ██████████, a ██████████ supplier of medical equipment. The RT200 costs \$27,100.00. HealthPlus denied coverage.

The Petitioner appealed the denial through the HealthPlus internal grievance process. At the conclusion of that process, HealthPlus issued a final adverse determination on September 17, 2015, affirming its benefit decision. The Petitioner now seeks the Director's review of that adverse determination.

III. ISSUE

Did HealthPlus correctly deny coverage for the RT200?

IV. ANALYSIS

Respondent's Argument

In its final adverse determination HealthPlus cited two reasons why it denied coverage for the RT200:

- Section 8.3 of the *Signature Network* certificate of coverage requires that all durable medical equipment must be obtained from "preferred providers." [REDACTED] is not a HealthPlus preferred provider.
- Section 8.1 of the *Signature Network* certificate of coverage excludes coverage for durable medical equipment which is experimental and/or investigational. HealthPlus considers the RT200 to be experimental and investigational.

Petitioner's Argument

In an October 28, 2015 letter submitted with his request for an external review, the Petitioner argues that the RT200 is not experimental or investigational and is medically necessary "for the prevention and retardation of muscle disuse atrophy, relaxation of muscle spasms, increasing local blood circulation, maintaining or increasing range of motion." The Petitioner states that the RT200 has been approved by the Food and Drug Administration and is covered by numerous other insurance companies. The Petitioner notes that there are no in-network providers of the RT200.

In his letter, the Petitioner states:

The RT200 can prevent many side effects and secondary complications of Multiple Sclerosis...that can be life-threatening; side effects and secondary complications that would create unnecessarily painful and traumatic experiences for me in the future (*as they have in the recent past*) and would be so much more expensive to treat compared to the cost of the RT200.

[REDACTED] prescribed the RT200 as a "crucial" aspect of my healthcare regimen over nine months ago. Without the cycle, my overall health will be of lesser quality - and I am at increased risk of developing various other health problems and because of my inability to

use the cycle effectively three times a week I have developed many health problems secondary to my neurologic disability which could have been maintained, decreased and or reversed....

Director's Review

The *Signature Network* certificate (page 24) provides that durable medical equipment must be obtained from a preferred provider. The certificate also states on page 10:

5.2 Provider of Choice

- A. Members may receive Health Care Benefits from any Provider the Member chooses. However, if a Member receives Health Care Benefits from a Non-Preferred Provider, the Member will be responsible for paying the total cost of services, except for Emergency Health Services and Urgent Care Services....

A “non-preferred provider” is defined as “a Provider who has not entered into a written agreement with [HealthPlus Insurance Company], or otherwise agreed, to provide services to Members.”

Restorative Therapies, Inc., the provider for the RT200, is not a preferred provider. For that reason, HealthPlus provides no coverage for the products it sells. Given that no coverage is available for durable medical equipment provided by Restorative Therapies, Inc., it is not necessary for the Director to determine whether the RT200 is experimental or medically necessary for the Petitioner.

V. ORDER

The Director upholds HealthPlus Insurance Company's September 17, 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.

Patrick M. McPharlin
Director

For the Director:



Randall S. Gregg
Special Deputy Director