

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

In the matter of:

██████████
Petitioner

v

Humana Insurance Company
Respondent

File No. 152525-001

Issued and entered
this 27th day of March 2016
by Randall S. Gregg
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On March 4, 2016, ██████████, on behalf of her ██████████ son ██████████ (Petitioner), filed a request for external review with the Director of Insurance and Financial Services under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.*

At the time services were rendered, the Petitioner received health benefits through a plan underwritten by Humana Insurance Company (Humana). The benefits were defined in Humana's *Individual Medical Policy* (the policy).

The Director notified Humana of the external review and requested the information used in making its adverse determination. Humana's initial response was received on March 10, 2016. After a preliminary review of the material received, the Director accepted the case on March 11, 2016. Humana submitted additional information on March 11, 2016.

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 was born at ██████████ in Kalamazoo, Michigan on September 29, 2015. The Petitioner and his mother were discharged from the hospital on October 1, 2015. Humana provided coverage for the mother's labor and delivery hospitalization services but denied coverage for the Petitioner's routine well newborn care which was provided

between September 29 and October 1, 2015. The amount charged for the denied services totaled \$4,328.32.

The Petitioner's mother appealed the denials through Humana's internal grievance process. Humana maintained its denial and issued a final adverse determination February 9, 2016. The Petitioner now seeks a review of that determination from the Director.

III. ISSUE

Did Humana correctly deny coverage for the [REDACTED] care the Petitioner received from September 29 to October 1, 2015?

IV. ANALYSIS

Respondent's Argument

In its February 9, 2016 final adverse determination, Humana wrote:

Our records show that the [REDACTED] has not been added to your policy....

The policy states that:

- a. Coverage for a newborn will be effective on the date of the birth provided you complete an application and remit the premium within 31 days (60 days if coverage was purchased through an exchange) of the child's date of birth.
- b. If we receive the application and any required premium more than 31 days (60 days if coverage was purchased through an exchange) after the newborn's date of birth, such child will be covered on the effective date assigned.

* * *

In your letter you referenced the "routine well newborn care for the first 48 hours or 96 hours following birth" information in your policy. Also, you referenced the "Statement of rights under the newborns' and mothers' health protection act (NMHPA)". Please note that this information is in reference to hospital length of stay requirements. The NMHPA requires insurance plans to provide post-childbirth care, without pre-authorization, for a minimum inpatient stay of:

- 48 hours following a vaginal delivery; and
- 96 hours following a cesarean section.

However, the member's plan document or contract determines the actual benefits available. The NMHPA does not:

- Require insurers to provide hospital benefits in connection with childbirth; or
- Prevent health plans from imposing deductibles, coinsurance, or other cost-sharing methods as long as benefits applied to the 48/96 hour stay are not less favorable than that applied to any portion before or after the 48/96 hour stay.

An employee that does not have dependent child coverage in force prior to the [REDACTED] date of birth must enroll the new dependent child within 31 days after the date of birth.

In your letter you indicated that your son's insurance company would apply a deductible. Please note that under your plan, eligible newborn participating inpatient hospital charges would be subject to the \$7,300.00 family deductible.

Petitioner's Argument

In her request for external review, the Petitioner's mother wrote:

I had a normal vaginal delivery on September 29, 2015 at [REDACTED], Kalamazoo, MI and gave birth to my son, [REDACTED]. We both were discharged on October 1, 2015. Humana has covered my labor/delivery and hospital stay charges.

Humana has denied part of my Maternity Benefits which covers my [REDACTED] son's "Routine well newborn care for the first 48 hours (vaginal delivery)", including hospital charges for routine nursery care and Healthcare practitioner charges for routine examination of the newborn. Humana stated the reason as "Newborn is not listed as Humana member/dependent." My son was enrolled in my husband's policy (a non-Humana policy).

I am attaching the following three supporting documents...which clearly state that the above charges are covered under mother's policy under maternity Benefits:

1. As per the Benefit Plan Document of my policy, page #24, Section 4.n.4 (Maternity services), the above listed charges are covered under "Maternity Services" provision of the mother's policy:
 4. Routine well newborn care for the first 48 hours or 96 hours following birth, as applicable and stated above for:
 - a. Hospital charges for routine nursery care;
 - b. Healthcare practitioner's charges for circumcision of the newborn child; and
 - c. Healthcare practitioner charges for routine examination of the newborn before release from the hospital
2. Michigan Department of Insurance and Financial Services "Hearings and Decisions" for an exactly similar case
* * *
3. Michigan Department of Insurance and Financial Services Insurance Bulletin No. 1990-05....

Director's Review

The policy (page 24) provides coverage for:

- Routine well newborn care for the first 48 hours or 96 hours following birth...for:
- a. Hospital charges for routine nursery care;

- b. Healthcare practitioner's charges for circumcision of the newborn child;
and
- c. Healthcare practitioner charges for routine examination of the newborn before release from the hospital.

This language is consistent with the Michigan Insurance Code, MCL 500.3611 which states that coverage for newborns shall be effective from the moment of birth:

- (1) All group disability insurance policies providing coverage on an expense incurred basis which provide coverage for a family member of the insured shall, as to that family member's coverage, also provide that the disability insurance benefits applicable for children shall be payable with respect to a newly born child of the insured from the moment of birth.
- (2) The coverage for children shall consist of coverage of injury or sickness including the necessary care and treatment of medically diagnosed congenital defects and birth abnormalities.
- (3) If payment of a specific premium is required to provide coverage for a child, the policy may require that notification of birth of a newly born child and payment of the required premium shall be furnished to the insurer within 31 days after the date of birth in order to have the coverage continue beyond the 31-day period.

However, in denying coverage, Humana asserted that the newborn care is a benefit of the infant's own coverage and that, in order to be covered, the infant must himself be enrolled as a Humana member. Bulletins issued by the Department of Insurance and Financial Services (DIFS) in 1990 and 2000 (Bulletins 1990-05 and 2000-07) have clarified the Michigan Insurance Code to require insurers to provide coverage for medical and hospital charges incurred for healthy newborn infants as part of the mother's maternity benefits until the mother or the infant are discharged, and up to the first 31 days after the date of birth, if such benefits are offered by the health plan.

The newborn care provided immediately following delivery is provided as a benefit of the mother, not the child. Thus, whether the child is later enrolled as a Humana member is not relevant to the issue of coverage during the immediate post-delivery period. The Petitioner's routine charges are covered from the moment of birth as part of the mother's maternity benefits.

The Director finds that Humana's denial of coverage for Petitioner's newborn care is not consistent with the provisions of the certificate, Michigan law, and DIFS bulletins.

V. ORDER

The Director reverses Humana's February 9, 2016 final adverse determination. Humana shall immediately provide coverage for the Petitioner's September 29, 2015 through October 1, 2015

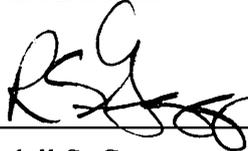
newborn care. See MCL 550.1911(17). Humana shall, within seven days of providing coverage, provide to the Director proof it has implemented this order.

To enforce this order, the Petitioner may report any complaint regarding the 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:

A handwritten signature in black ink, appearing to read 'RS Gregg', is written over a horizontal line.

Randall S. Gregg
Special Deputy Director