

**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. 154768-001

Priority Health Insurance Company  
Respondent

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Issued and entered  
this 16<sup>th</sup> day of August 2016  
by Randall S. Gregg  
Special Deputy Director

**ORDER**

**I. PROCEDURAL BACKGROUND**

On July 25, 2016, ██████████ (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 Director accepted the request on August 1, 2016.

The Petitioner has individual health care coverage underwritten by Priority Health Insurance Company (Priority Health). The Director notified Priority Health of the external review request and asked for the information used to make its final adverse determination. Priority Health responded on August 3, 2016.

The issue in this external review can be decided by a contractual analysis. The Director reviews contractual issues under MCL 500.1911(7). This matter does not require a medical opinion from an independent review organization.

**II. FACTUAL BACKGROUND**

The Petitioner had an office visit on October 19, 2015. Her physician ordered six laboratory tests. The amount charged for the tests was \$463.00. Priority Health paid for one of the tests without assessing a copayment, deductible, or coinsurance. Priority Health assessed a deductible on each of the other five claims. The claims are summarized below.

TEST	CHARGE	AMT. PAID (Net of discount)	DEDUCTIBLE
Chlamydia	76.00	64.60	0.00
Comp. metabolic panel	101.00	0.00	85.85
Thyroid	134.00	0.00	113.90
Lipid panel	92.00	0.00	78.20
Blood smear w/ WBC count	17.00	0.00	14.45
Complete CBC	43.00	0.00	36.55

The Petitioner appealed the benefit determination through Priority Health's internal grievance process. At the conclusion of that process, Priority Health covered the lipid panel as a preventive service but maintained its benefit determination for the four remaining laboratory tests. Priority Health issued its final adverse determination dated June 30, 2016. The Petitioner now seeks the Director's review of that final adverse determination.

### III. ISSUE

Did Priority Health correctly apply the deductible to the Petitioner's October 19, 2015 laboratory services?

### IV. ANALYSIS

#### Petitioners' Argument

In her external review request, the Petitioner wrote:

Priority Health isn't wanting to cover routine blood tests. I was told the tests would be covered under preventative care by my physician. Blood tests are an important tool for my physician to track my health, as I am a cancer survivor. I had received numerous letters from Priority Health saying all \$463.00 was covered. I then started getting statements from McKenzie Health System stating I still owed money. I've looked through the packets of information Priority Health has sent me and in one it talks about McKenzie being paid. I have enclosed a copy of those pages. I'm looking to have Priority Health cover what I pay insurance for.

#### Priority's Argument

In its final adverse determination to the Petitioner, Priority Health wrote:

Priority Health Insurance Company processed the claim to apply the deductible to the charges appropriately in accordance with the Insurance Policy, Schedule of Benefits and Preventive Health Care Guidelines. Specifically, the Comprehensive Metabolic Panel, Thyroid Stimulating Hormone (Tsh), Blood Ct Manual Wbc Ct and Blood Count; Hemogram and Platelet Count are not included on the Preventive Health Care Guidelines.

The Appeal Committee understands [the Petitioner] feels the services should be considered preventive since they were ordered during her routine annual physical, however, not all tests and screenings that your doctor recommends are covered as preventive.

**Facts:**

Priority Health Insurance Company processed the claim to apply the deductible in accordance with the Schedule of Benefits, Insurance Policy and Preventive Health Care Guidelines which states:

**What are preventive care services?**

The free preventive care services we list in these guidelines are based on recommendations from the U.S. Preventive Services Task Force, Centers for Disease Control and Prevention (CDC), Health Resources and Services Administration and the latest medical research from organizations like the American Medical Association.

**Director's Review**

Preventive and diagnostic laboratory services are covered benefits under the Petitioner's policy (pages 12-13 and 22-24):

**Section IV. Covered And Non-Covered Services**

You are responsible for the Copayments, Coinsurance and Deductibles listed in the Schedule of Benefits. Deductibles apply to all Covered Services except certain preventive health care services as described on the Schedule of Benefits. Coverage for preventive health care services is available after a waiting period of 90 consecutive days beginning on your most recent effective date under this Policy. Preventive health care services are only those services described in Priority Health's preventive health care guidelines. These guidelines are available online at [priorityhealth.com](http://priorityhealth.com), or you may request a copy from our Customer Service Department.

Preventive health care services do not include any service or benefit intended to treat an existing illness, injury, or condition.

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## **A. Professional Services**

### **1. Preventive Health Care Services**

Preventive Health Care Services are described in Priority Health's preventive health care guidelines available in the member center on our website at *priorityhealth.com*, or you may request a copy from our Customer Service Department.

Preventive Health Care Services are Covered Services for each Member even though they are not provided in connection with the diagnosis and treatment of an Illness or Injury. Covered Preventive Health Care Services include:

\* \* \*

#### **(c) Screening and Counseling Services for Adults**

- Abdominal Aortic Aneurysm – men of specified ages who have ever smoked (one-time only)
- Alcohol Misuse – all adults
- Blood Pressure – all adults
- Cholesterol – adults of certain ages or adults at higher risk
- Colorectal Cancer – adults over 50
- Depression – all adults
- Type 2 Diabetes – adults with high blood pressure
- Diet counseling – adults at higher risk for chronic disease
- HIV – all adults at higher risk
- Obesity – all adults
- Sexually Transmitted Infection (STI) – prevention counseling for adults at higher risk
- Tobacco Use – all adults (includes cessation interventions for tobacco users)
- Syphilis – all adults at higher risk

Preventive Health Care Services are defined on page 47 of the Policy:

(54) Preventive Health Care Services. Routine care described in Priority Health's preventive health care guidelines that are designated to maintain an individual in optimum health and to prevent unnecessary injury, illness or disability. See Section 5.IV.A.1 for the summary of Covered Preventive Health Care Services. Priority Health's complete preventive health care guidelines are available in the Member Center on our website at

*priorityhealth.com* or from our Customer Service Department. Our guidelines are based on federal requirements for Coverage of preventive health care services contained in Section 1001 of the Patient Protection and Affordability Act (PPACA) available at *healthcare.gov*.

Only those tests designated as preventive care services performed by a network provider are exempt from the deductible requirement. In this case, Priority Health covered the chlamydia and lipid profile tests as preventive services at 100 percent of its approved amount but applied its approved amount for the remaining four test to her unmet deductible because they are not preventive services as listed in the Petitioner's policy. The preventive services listed in the policy are taken from the recommendations from the U.S. Preventive Services Task Force.

The Director finds Priority Health's application of the deductible to the Petitioner's four remaining laboratory tests is consistent with the terms of the Petitioner's policy.

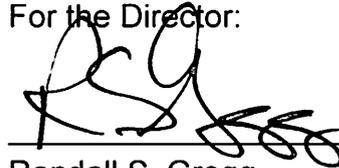
#### V. ORDER

The Director upholds Priority Health's 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 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.

Patrick M. McPharlin  
Director

For the Director:



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Randall S. Gregg  
Special Deputy Director