

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. 151234-001

United Healthcare Insurance Company
Respondent

Issued and entered
this 27th day of December 2015
by Randall S. Gregg
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On December 9, 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.* After a preliminary review of the material received, the Director accepted the request on December 16, 2015.

The Petitioner receives health benefits through a group plan that is underwritten by United Healthcare Insurance Company (United). The Petitioner's health care benefits are described in the *United Healthcare Choice Plus* certificate of coverage, which includes riders, amendments, and notices. The Director notified United of the external review request and asked for the information it used to make its final adverse determination.

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

Between August 6 and August 11, 2015, as part of her prenatal care, the Petitioner's physician ordered laboratory tests and drew blood for the tests. The tests were performed at ██████████ which is not a member of United's provider network. The laboratory charged \$724.00. Because ██████████ is not in United's provider network, United applied its allowed amount of \$644.36 to the Petitioner's annual deductible for out-of-network services. However, ██████████ is part of a provider group that has a Multiplan agreement that accepts United's allowed amount as payment in full, therefore, the Petitioner is

not responsible for the difference of \$79.64 between the provider's submitted charges and United's allowed amounts.

The Petitioner appealed United's benefit determination through its internal grievance process. At the conclusion of that process, United issued a final adverse determination dated October 21, 2015, affirming its decision. The Petitioner now seeks a review of that final adverse determination from the Director.

III. ISSUE

Did United correctly process the claims for the Petitioner's laboratory services?

IV. ANALYSIS

Respondent's Argument

In its final adverse determination, United explained how it processed the claim for the Petitioner's laboratory services:

Your plan states that Lab, X-Ray and Diagnostics services are covered at 60% of eligible expenses after you meet your annual deductible.

Your annual Plan deductible was not met at the time the claim was processed. Therefore, the total allowable expense(s) were applied to the deductible.

You plan participates in a Shared Savings Program (SSP)/Multiplan Discount Program, meaning your physician or healthcare provider accepts discount on all services. You are not responsible for the difference between the amount billed and amount allowed. You are only required to pay for amount in the "patient pays" column of your explanation of benefits (EOB) statement, plus any deductible amount that was not met. If you already paid the entire bill, please request a refund from your physician or healthcare provider.

Your plan's benefits for these services were processed based on the network status of the rendering provider without regard to the facility where the services were performed or the physician who order the service.

Petitioner's Argument

In her request for external review, the Petitioner wrote:

I was billed for lab work done at the out-of-network rate. Had checked online and Henry Ford is considered in-network, so went there for prenatal visits. Later received attached bills and found out that they send to [REDACTED], which was not in-network. Called for details and was told no it should have been in-network like I was told at visit. Feel I was misled/informed and should not be liable to cover the excessive charges. Asking they be covered or billed at in-network rate.

Director's Review

The Petitioner had laboratory tests performed and billed by an out-of-network provider. Under the certificate's schedule of benefits (page 11) outpatient laboratory tests from an out-of-network provider are covered at 60 percent after the out-of-network deductible has been satisfied. The Petitioner had not met her out-of-network deductible at the time the tests were performed. Therefore, United correctly processed the claims when it applied its allowed amounts to the Petitioner's out-of-network deductible.

The Petitioner believes she was misled and misinformed about the network status of the laboratory and wants United to waive or reprocess the claims for her laboratory services at the in-network benefit level. In conducting reviews under the Patient's Right to Independent Review Act (PRIRA), the Director is limited to resolving question of medical necessity and determining whether an insurer's final adverse determination is consistent with the terms of the relevant policy or certificate of coverage. See MCL 550.1911(13). Under the PRIRA, the Director has no authority to amend the terms of an insurance policy to require United to provide coverage that is inconsistent with the Petitioner's actual benefits.

V. ORDER

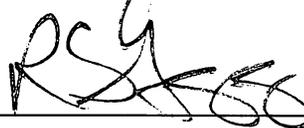
The Director upholds United Healthcare Insurance Company's final adverse determination of October 21, 2015.

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:



Randall S. Gregg
Special Deputy Director