

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. 151734-001

Blue Cross Blue Shield of Michigan,

Respondents.

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Issued and entered  
this 22<sup>nd</sup> day of February 2016  
by Randall S. Gregg  
Special Deputy Director

**ORDER**

**I. PROCEDURAL BACKGROUND**

██████████ (Petitioner), a minor,<sup>1</sup> was seen in the emergency room of two hospitals on successive days in August 2015. He objects to the application of a \$150.00 copayment for each visit by his health insurer, Blue Cross Blue Shield of Michigan (BCBSM).

On January 15, 2016, ██████████, the Petitioner's mother, filed a request with the Director of Insurance and Financial Services for an external review of BCBSM's decision under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.* The request was incomplete and additional information was provided on February 1, 2016. On February 8, 2014, after a preliminary review of the information submitted, the Director accepted the request.

The Petitioner receives health care benefits through a group plan underwritten by BCBSM. The Director immediately notified BCBSM of the external review request and asked for the information it used to make its final adverse determination. BCBSM responded on February 12, 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's health care benefits are described in BCBSM's *Simply Blue Group Benefits Certificate* (the certificate).

On August 11, 2015, the Petitioner was seen in the emergency room of Sparrow Hospital in [REDACTED] after a traumatic tooth injury. On August 12, 2015, he was seen in the emergency room at the University of Michigan Hospital for the same condition. BCBSM covered both visits but applied the \$150.00 emergency room copayment to each.

The Petitioner appealed the application of the \$150.00 copayment through BCBSM's internal grievance process. At the conclusion of that process, BCBSM issued a final adverse determination dated November 17, 2015, upholding its decision. The Petitioner now seeks a review of that final adverse determination from the Director.

## III. ISSUE

Was BCBSM correct when it applied a \$150.00 copayment to both emergency room visits?

## IV. ANALYSIS

### Petitioner's Argument

In a letter dated January 9, 2016, that was submitted with the external review request, the Petitioner's mother wrote:

I'm requesting external review on service date Aug. 11 and Aug. 12. We went to Sparrow Hospital where [the Petitioner] was not seen nor did the doctor do anything. He requested for us to call hospitals nearby to see if they could help [our son] to be seen. We finally left and went to University of Michigan Hospital and arrived at 12:30 am on August 12. We are getting charged \$150 for Sparrow Hospital & \$150 for University of Michigan Hospital. In both hospitals, they could not do anything and were sent home to deal with [our son] and his injury the next day. No assistant/doctor was able to help us.

We feel, we should not be paying two \$150 charges. We went to urgent care before Sparrow Hospital and was told to go to hospital as they could not help [Petitioner]. Nor were we put into a room.

### BCBSM's Argument

In the final adverse determination, BCBSM's representative explained to the Petitioner's father:

. . . After review, I confirmed the payment determination is correct. An emergency room service is subject to the \$150.00 emergency room copayment requirement.

You and your family are covered under the *Simply Blue Group Benefits Certificate LG (Certificate)*. According to Page 12 of the *Certificate*, you are required to pay \$150 per visit for facility services in a hospital emergency room. Copayment is waived if the patient is admitted.

While we understand [the Petitioner] was also treated in the emergency room of University of Michigan Hospital on August 12, 2015, your contract only waives an emergency room copayment when the patient is admitted. According to our records, [your son] was not admitted to the hospital as inpatient at Sparrow Hospital. Thus, because your contract requires that copayment is applied for an emergency room service, the \$150.00 copayment was applied appropriately. As a result, you remain liable for the contractual emergency room copayment requirement of \$150.00 to Sparrow Hospital.

### Director's Review

According to the Petitioner's mother, she was told at the Sparrow emergency room that her son could not be treated there and that he needed to go to a facility that had a pediatric dentist available. The Petitioner then went to the University of Michigan Hospital but apparently could not be treated there either. The Petitioner's mother does not think the copayments are appropriate because neither hospital did anything to treat her son's teeth.<sup>2</sup>

In a review under the Patient's Right to Independent Review Act, the Director's has no authority to assess the quality or extent of treatment provided in the emergency room; complaints about those issues should be directed to the facility. The Director can only determine if BCBSM correctly processed the claims according to the terms and conditions of the certificate.

The certificate (p. 40) describes the benefit for emergency treatment:

#### ***Emergency Treatment***

\* \* \*

Locations: We pay for services to treat medical emergencies and accidental injuries in a hospital, participating ambulatory surgery facility, urgent care center or physician's office subject to the conditions below. . . .

#### **We pay for:**

Facility and physician services to examine and treat a medical emergency or

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<sup>2</sup> There were no medical records submitted to explain what services the Petitioner received in either of the emergency rooms.

accidental injury.

The certificate (p. 12) further explains the copayment obligation:

You are required to pay the following copayments for covered services by in-network providers:

- \$150 per visit for facility services in a hospital emergency room (waived if the patient is admitted).

It is unfortunate that the Petitioner did not get the care he expected in the emergency rooms. Nevertheless, however limited those visits, the Petitioner was seen in the emergency room of two hospitals but was never admitted. Therefore, a \$150.00 emergency room copayment applies for each hospital visit.

The Director finds that BCBSM's application of a \$150.00 copayment to each emergency room visit was in accord with the terms of the certificate.

#### **V. ORDER**

The Director upholds BCBSM's final adverse determination of November 17, 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 sixty 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