

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. 152657-001

Blue Cross Blue Shield of Michigan
Respondent

Issued and entered
this 4th day of April 2016
by Sarah Wohlford
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On March 14, 2016 ██████████, authorized representative of his ██████████ ██████████ (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 submitted, the Director accepted the request on March 21, 2016.

The Petitioner receives health care coverage through a group plan underwritten by Blue Cross Blue Shield of Michigan (BCBSM). The benefits are defined in BCBSM's *Simply Blue Group Benefits Certificate SG*. The Director notified BCBSM of the request and asked for the information used to make its final adverse determination. BCBSM provided its response on March 28, 2016.

The issue in this external review can be decided by a contractual review. 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 July 27, 2015 and August 21, 2015, the Petitioner received treatment for an eating disorder and obsessive compulsive disorder at ██████████, Michigan. The amount charged for this treatment was \$17,900.00.¹

BCBSM denied coverage for the treatment. The Petitioner appealed the denial through BCBSM's internal grievance process. At the conclusion of the process, BCBSM affirmed the denial and issued a final adverse determination dated February 4, 2016. The Petitioner now seeks the Director's review of that determination.

1. Claims for treatment after August 21, 2015 are still on appeal with BCBSM and, for that reason, are not a part of this review and order.

III. ISSUE

Did BCBSM correctly deny coverage for the Petitioner's treatment at [REDACTED]?

IV. ANALYSIS

Petitioner's Argument

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

The purpose of this letter is [to] request that Blue Cross Blue Shield of Michigan be compelled to reimburse the out-of-pocket costs incurred to provide my [REDACTED]...with treatment for a serious eating disorder and obsessive compulsive disorder. My claims and appeals to BCBSM have been denied and exhausted. At this point, I am requesting to be reimbursed in the amount of \$17,900. The background and rationale for this appeal follows:

[Petitioner] was initially treated at an in-patient facility last year for an eating disorder and obsessive compulsive disorder. The treatment was covered by Blue Cross Blue Shield of Michigan (BCBSM) until they decided that she had improved enough and should move to a partial hospitalization program. At this point they stopped paying for coverage at the in-patient facility.

We placed [Petitioner] in a partial hospitalization program (PHP) near our home so that we could provide her with needed care in the evenings and weekends when she was not at the treatment facility. We selected [REDACTED] for its proximity and because it is the only facility in Michigan that treats adults with eating disorders; [Petitioner] is 21 years old. The period of treatment was 7 /27 /2015 through 9/11/2015.

* * *

BCBSM's rationale for denying the claims is that out-of-network (non-participating) mental health facilities are not covered [by] my policy. However, if we had placed [Petitioner] in a participating facility, this would have been an additional burden as the facility would have been out of state (as noted earlier, [REDACTED] is the only in-state facility that treats adults with eating disorders). We would have had to pay for housing and living expenses, and my wife and I would not have been nearby to give her the night and weekend care she needed to help her recovery.

Respondent's Argument

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

[O]ur denial of payment is maintained because the provider, Inner Door Center, did not participate with BCBSM at the time the services were performed. Therefore, charges totaling \$17,900.00 is a matter between you and the provider.

Your family is covered under the *Simply Blue Group Benefits Certificate SG*. On page 59 of the Certificate, under **Section 3: What BCBSM Pays For, Mental Health Services, Outpatient Mental Health Services, We do not pay for it states:**

- Services provided by a nonparticipating outpatient mental health facility

Also, on page 121 of the Certificate, under **Section 4: How Providers Are Paid, Out-of-Network Providers, Nonparticipating Hospitals, Facilities and Alternative to Hospital Care Providers** it states:

BCBSM does not pay for services at nonparticipating:

- Mental health or substance abuse treatment facilities

I confirmed that Inner Door Center is an outpatient mental health psychiatric facility that does not participate with BCBSM. Based on this information, our denial of payment is maintained.

Director's Review

The *Simply Blue Group Benefits Certificate* provides coverage for inpatient or residential mental health services provided at BCBSM-participating facilities. If the facility is part of BCBSM's network, BCBSM pays the claim at the network level of benefits. However, if the facility does not participate with BCBSM then the treatment is not a covered benefit and no amount is paid by BCBSM. In this case, [REDACTED] is a non-participating provider. Therefore, BCBSM is not required to pay benefits for the mental health services provided the Petitioner.

The Director finds that BCBSM's denial of coverage for the Petitioner's mental health services provided at [REDACTED] between July 27, 2015 and August 21, 2015 is consistent with the terms of the *Simply Blue Group Benefits Certificate*.

V. ORDER

The Director upholds BCBSM's February 4, 2016 final adverse determination. BCBSM is not required to provide coverage for the treatment provided to the Petitioner at [REDACTED]

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:



Sarah Wohlford
Special Deputy Director