

**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. 153142-001**

**Blue Cross Blue Shield of Michigan,**

**Respondent.**

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**Issued and entered**  
**this 2<sup>nd</sup> day of May 2016**  
**by Randall S. Gregg**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

On April 8, 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, after a preliminary review, accepted the request on April 15, 2016.

The Petitioner has group health care coverage that is underwritten by Blue Cross Blue Shield of Michigan (BCBSM). The Director immediately notified BCBSM of the external review request and asked for the information used to make its decision. BCBSM responded on April 21, 2016.

The issue in this external review can be decided by a contractual analysis. 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 *Community Blue Group Benefits Certificate ASC* (the certificate).

On December 20, 2015, the Petitioner was treated in the emergency room of a hospital in Naples, Florida, for a laceration on his face. Integrated Emergency Medicine Specialists, Inc., a nonparticipating provider, charged \$1,255.00 for physician's services in the emergency room. BCBSM paid \$195.70, its approved amount, for those services. The Petitioner is now being asked to pay \$1,059.30, the balance of the provider's charge.

The Petitioner appealed the amount BCBSM paid through its internal grievance process. Following a managerial-level conference BCBSM issued a final adverse determination dated March 31, 2016, upholding its decision. The Petitioner now seeks a review of that final adverse determination from the Director.

### III. ISSUE

Is BCBSM required to pay an additional amount for the Petitioner's emergency room physician services?

### IV. ANALYSIS

#### Petitioner's Argument

In his request for an external review, the Petitioner wrote:

BCBSM is unwilling to pay for "emergency services" received from a non-participating E.R. doctor, who works thru a hospital that accepts BCBS insurance. I am requesting a resolution of having BCBSM pay this bill in full. I was never informed from this hospital that this E.R. doctor was non-participating and had no way of knowing especially in an emergency situation. . . .

#### BCBSM's Argument

In the final adverse determination, BCBSM's representative told the Petitioner:

After review, I confirmed that our payment level must be maintained. Our records show that BCBSM paid its approved amount of \$195.70. The outstanding balance remains an issue between you and the provider.

\* \* \*

After review, I confirmed that Integrated Emergency Medicine Specialists is a nonparticipating provider. As stated above, nonparticipating providers are not required to accept our approved amount as payment in full. Therefore, no additional payment is available.

#### Director's Review

The certificate (p. 18) explains that BCBSM pays an "approved amount" for medically necessary covered services. "Approved amount" is defined in the certificate (p. 134):

The lower of the billed charge or our maximum payment level for the covered service. Copayments and/or deductibles, which may be required of you, are subtracted from the approved amount before we make our payment.

BCBSM determined its maximum payment level for the emergency room physician's services was \$195.70. Because that amount was lower than the billed charges from Integrated Emergency Medicine Specialists, it became BCBSM's approved amount.

A participating provider would have accepted BCBSM's approved amount as payment in full. However, Integrated Emergency Medicine Specialists is a nonparticipating provider, i.e., it has "not signed a participation agreement with BCBSM to accept the approved amount as payment in full" (certificate, p. 147). Consequently, Integrated Emergency Medicine Specialists may bill the Petitioner for the difference between BCBSM's approved amount and its charge. The certificate (p. 114) says:

If the out-of-network provider is nonparticipating, you will need to pay most of the charges yourself. Your bill could be substantial. . . .

There is nothing in the certificate or in law that requires BCBSM to pay more than its approved amount, even when the service is provided on an emergency basis, or there was no participating provider available, or the patient had no choice in which provider was used.

In this case, BCBSM paid its approved amount of \$195.70 for the Petitioner's emergency room physician services; it is not required to pay any additional amount. The Director finds that BCBSM correctly paid for the emergency room physician services under the terms of the certificate.

#### V. ORDER

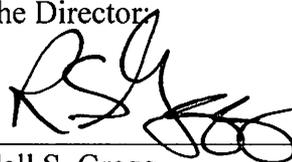
The Director upholds BCBSM's final adverse determination of March 31, 2016.

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