

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. 153451-001

Blue Cross Blue Shield of Michigan
Respondent

Issued and entered
this 10th day of May 2016
by Joseph A. Garcia
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On April 28, 2016, attorney ██████████, authorized representative of ██████████ (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 case for review on May 5, 2016. The review concerns a claim for air ambulance transportation.

The Petitioner receives health care benefits through a group plan that is underwritten by Blue Cross Blue Shield of Michigan (BCBSM). The benefits are defined in BCBSM's *Simply Blue Group Benefits Certificate SG*. The Director immediately notified BCBSM of the external review request and asked for the information it used to make its final adverse determination. BCBSM provided its response on May 6, 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, who lives in ██████████, had an apparent heart attack March 14, 2015 and was transported by air ambulance from Alpena Regional Medical Center to Munson Medical Center in Traverse City. The air ambulance transportation was provided by Rocky Mountain Holdings, LLC, a provider that does not participate with BCBSM.

By air, the distance between the two hospitals is 110 miles. The amount charged by the air ambulance service was \$54,999.00. BCBSM approved a payment of \$10,059.04, leaving the Petitioner

responsible for the balance of \$44,939.96.

The Petitioner appealed the amount paid by BCBSM through its internal grievance process. At the conclusion of that process, on March 4, 2016, BCBSM issued a final adverse determination affirming its decision. The Petitioner now seeks the Director's review of that final adverse determination.

III. ISSUE

Is BCBSM required to pay an additional amount for the Petitioner's ambulance transport?

IV. ANALYSIS

BCBSM's Argument

In the March 4, 2016 final adverse determination BCBSM stated:

After review, I confirmed the maximum payment available of \$10,059.04 was issued to you. Additional payment cannot be approved.

* * *

Page 17 of the certificate explains that we pay our approved amount for the services you received that are covered in this certificate. Page 142 of the certificate defines approved amount as the lower of the billed charges and our maximum level for covered services. Our reimbursement of \$10,059.04 issued to you is the full approved amount for your services....

The services in question were reported by Rocky Mountain Holds LLC. This provider does not participate with BCBS. Page 157 of the certificate explains that nonparticipating providers are physicians and other health care professionals, or hospitals and other facilities or programs that have not signed a participating agreement with BCBSM to accept the approved amount as payment in full.

During the managerial-level conference, [your representative] requested BCBSM to pay the remaining balance for your air ambulance services. In this case, reimbursement was issued at the in-network benefit payment level of services. Thus the maximum payment allowed (\$10,059.04) was issued.

Petitioner's Argument

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

The helicopter ambulance service was a medically necessary transport because of [Petitioner's] grievous medical condition. [Petitioner] has had two prior heart attacks and he was in serious condition.

The transport service was strictly ambulance service and there was no other physician or medical services included with Rocky Mountain Holdings, LLC.

Because Alpena Regional Medical Center was unable to provide the care needed for [Petitioner, he] had to be moved to a facility that would provide the care necessary for his survival. [Petitioner's] physician ordered the transport because he believed it was

necessary. Speed of care was of utmost concern due to [Petitioner's] critical heart condition. The transport was to [Munson Medical Center in Traverse City, Michigan] the closest urgent care facility able to handle this matter.

Since Rocky Mountain Holdings, LLC is an out-of-network provider, emergency medical transport charges are entitled to a 20% co-insurance after an in-network deductible of \$3,000.00.

Thus, medically necessary ambulance service is covered by 80% after the in-network deductible.

With the request for external review, the Petitioner's representative also submitted copies of his BCBSM correspondence, the Explanation of Benefits form for the air ambulance claim, the bill from Rocky Mountain Holdings, and pages from the BCBSM "Benefits-at-a-Glance" form that summarizes the Petitioner's coverage.

Director's Review

Ambulance transportation, including air ambulance services, is a benefit under the BCBSM's *Simply Blue Group Benefits Certificate SG*. In dispute is the amount BCBSM must pay for the service.

The *Simply Blue* certificate (page 17) states that BCBSM pays its "approved amount" for covered services. "Approved amount" is defined in the certificate (page 142):

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

In this case, BCBSM's maximum payment for the air ambulance service was \$10,059.04. Because that amount is lower than the billed charge from the air ambulance service, it became BCBSM's approved amount. (No deductible was charged because the Petitioner's deductible had been met before the air ambulance claim had been incurred.)

Rocky Mountain Holdings is not a participating provider; it has no participation agreement with BCBSM to accept BCBSM's approved amount as payment in full. See page 118 of the *Simply Blue* certificate. Consequently, Rocky Mountain Holdings may bill the Petitioner for the difference between BCBSM's approved amount and its charge. As the certificate (page 116) states:

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

The Petitioner's representative argues that the BCBSM coverage is a 20% co-insurance after an in-network deductible of \$3,000.00. This assertion is based on the "Benefits-at-a-Glance" form which summarizes the coverage detailed in the *Simply Blue* certificate. The "Benefits-at-a-Glance" form includes this disclaimer on its first page:

This is intended as an easy-to-read summary and provides only a general overview of your benefits. It is not a contract. Additional limitations and exclusions may apply. Payment

amounts are based on BCBSM's approved amount, less any applicable deductible and/or copay/coinsurance. For a complete description of benefits please see the applicable BCBSM certificates and riders, if your group is underwritten or any other plan documents your group uses, if your group is self-funded. If there is a discrepancy between this Benefits-at-a-Glance and any applicable plan document, the plan document will control.

In addition, the provision cited by the Petitioner's representation includes this notice: "If you receive care from a nonparticipating provider, even when referred, you may be billed for the difference between our approved amount and the provider's charge."

The *Simply Blue* certificate, pages 19-20, provides a more detailed description of the coverage that applies to ambulance services. Section 2 of the certificate titled "What You Must Pay" provides the details of what a member must pay for services from an out-of-network, nonparticipating provider such as Rocky Mountain Holdings. Section 2 include these provisions:

- You pay all charges that exceed the amount we pay for a service.
- Nonparticipating providers have not signed an agreement and can bill you for any differences between their charges and our approved amount.

The *Simply Blue* certificate obligates BCBSM to pay only its approved amount for ambulance services and provides that a BCBSM member may be liable for any additional amount billed by an out-of-network, nonparticipating provider. Based on these provisions, the Director finds that BCBSM's payment was consistent with the terms and conditions of the *Simply Blue Group Benefits Certificate SG*. BCBSM paid its approved amount for the Petitioner's for the Petitioner's March 14, 2015, air ambulance services and is not required to pay any additional amount.

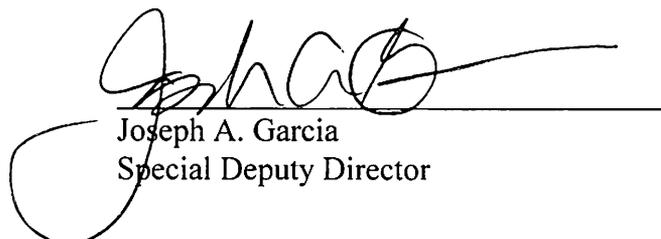
V. ORDER

The Director upholds BCBSM's final adverse determination of March 4, 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 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:


Joseph A. Garcia
Special Deputy Director