



## TEXAS DEPARTMENT OF INSURANCE

333 Guadalupe, Austin, Texas 78701 ★ PO Box 149104, Austin, Texas 78714-9104  
(512) 676-6000 | (800) 578-4677 | TDI.texas.gov | @TexasTDI

May 31, 2018

Nancy C. Pruitt  
Divisional Sr. Vice President & Enterprise Plan Counsel  
Blue Cross Blue Shield of Texas  
P.O. Box 655730  
Dallas, TX 75265-5730

Sent via email

Dear Ms. Pruitt:

Thank you for your May 16, 2018, response to me and for Tuesday's meeting between Dr. McCoy and Commissioner Sullivan about the Blue Cross Blue Shield of Texas' (BCBSTX) Emergency Benefit Management Process. We appreciate the information you have provided on this issue and your agreement to delay implementation of this policy for 60 days.

As we continue to evaluate BCBSTX's process, we request the following additional information. Please provide the company's response to these questions by June 15, 2018.

1. Please explain the reasons for the process, including any data that supports the need for the process.
2. Has BCBSTX communicated concerns about fraud, waste or abuse associated with emergency room (ER) claims to appropriate regulatory agencies, such as the Office of the Attorney General, TDI's Fraud Unit, the Department of State Health Services, or the Texas Medical Board?
3. BCBSTX states all denials will be issued by a medical director.
  - a. Under what circumstances will a denial be made under a claims review process, and under what circumstances will an adverse determination letter be issued under a utilization review process?
  - b. What appeal rights are provided to the member when the entire claim is denied as a non-covered service? How will the denial be communicated to the member and provider?
  - c. Is an adverse determination letter issued to the member and provider if services were medically necessary, but the medical director determines parts of the claim should be denied because the level of care billed is not supported by the medical records? If not, how will the denial be communicated to the member and provider?

- d. Is a peer-to-peer conversation offered when the medical director is contemplating a partial or total claim denial?
4. Will members have the opportunity to submit justification, including a description of their symptoms, for seeking emergency services under the prudent layperson standard before a claim denial? If yes, what is the process for BCBSTX to obtain this information from members?
5. BCBSTX indicates fully-insured retail and group HMO and PPO members with a current email address on file received or will receive an email about the new policy. Why are PPO members receiving this email? How will this policy be communicated to members without email addresses?
6. How does BCBSTX plan to ensure members and providers understand the process? Will there be additional education and outreach to members and the medical community? If yes, please describe.

TDI may have further questions or require additional documentation to ensure the process complies with requirements and protects Texans.

Please let me know if you have any questions or need additional information. I serve as the lead staff on this matter and can be reached by telephone at 512-676-6213 or by email at [melissa.hield@tdi.texas.gov](mailto:melissa.hield@tdi.texas.gov).

Sincerely,



Melissa Hield  
Associate Commissioner