

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

LINDA A. WATTERS, COMMISSIONER,
MICHIGAN DEPARTMENT OF LABOR AND
ECONOMIC GROWTH, OFFICE OF FINANCIAL
AND INSURANCE SERVICES

Petitioner,

Case No. 05-1472-CR

Hon. William E. Collette

v.

ULTIMED HMO OF MICHIGAN, INC.,
a Michigan health maintenance organization,

IN LIQUIDATION

Respondent.

E. John Blanchard (P28881)
Christopher L. Kerr (P57131)
Assistant Attorneys General
**Michigan Department of Attorney General
Insurance & Banking Division**
Attorneys for Petitioner / Liquidator
Linda A. Watters, Commissioner of OFIS
P.O. Box 30754
Lansing, Michigan 48909
Telephone: (517) 373-1160

**ORDER REGARDING COVERAGE OF
PLATINUM HEALTH INSURANCE PLAN MEMBERS' HEALTH CARE CLAIMS**

At a session of said Court
held in the Circuit Courtrooms
for the County of Ingham,
State of Michigan, on the

9th day of August, 2006

PRESENT: HONORABLE **WILLIAM E. COLLETTE**

Circuit Court Judge

This matter having come before the Court pursuant to the correspondence received from an insurance agent, Mr. Ralph Moore, who sold Ultimed's Platinum Health insurance plan, and the correspondence received from an employer group, Atlas Welding Accessories, Inc., that

purchased Ultimed's Platinum Health insurance plan for its employees; the Court having reviewed the aforementioned correspondence and the issues raised therein; the Court having met on August 2, 2006 with Linda A. Watters, the Commissioner of the Michigan Office of Financial and Insurance Services ("OFIS") and court-appointed Liquidator of Ultimed, together with Special Deputy Liquidator James Gerber and their legal counsel, to discuss the issues raised by the aforementioned correspondence; and the Court being otherwise fully advised;

NOW, THEREFORE, upon due consideration thereof,

IT IS HEREBY ORDERED that due to the ambiguous, inconsistent, and/or contradictory information contained in certain materials explaining the Platinum Health insurance plan and provider networks (PPOM and Beech Street), together with the alleged inconsistent and/or contradictory statements made by certain Platinum Health representatives, the Platinum Health members' claims for health care services shall be entitled to coverage notwithstanding the failure of any member to obtain a referral for such services from a primary care physician. This coverage determination applies to primary care physician referrals only and does not apply to any health care procedure requiring pre-certification under the Platinum Health Certificate of Coverage approved by OFIS on April 18, 2002 (the "Certificate of Coverage"). The pre-certification requirements shall continue to be a prerequisite to coverage of a Platinum Health member's claim for health care services, regardless of whether the member resided within or outside the State of Michigan.

IT IS FURTHER ORDERED that because the Platinum Health insurance plan documents, including but not limited to the Certificate of Coverage, the introductory letter sent to members, and the insurance card issued to members, clearly explained that members were to obtain any necessary laboratory services from Joint Venture Hospital Laboratories ("JVHL") participating laboratories, the Platinum Health members' claims for health care services shall not be entitled to coverage to the extent that such services constitute laboratory services provided by

a non-JVHL participating laboratory. However, this coverage determination shall not apply to Platinum Health members who resided outside the State of Michigan and who did not have access to the JVHL network, the laboratory services claims of whom will be entitled to coverage provided that all laboratory pre-certifications required by the Certificate of Coverage were obtained. In the event that an out-of-state Platinum Health member did not obtain the required pre-certification for laboratory services, the member will be responsible for payment of 50% of the laboratory service charges.

IT IS FURTHER ORDERED that with respect to the Platinum Health members' claims for health care services that have been placed into "pending" status due to a member's failure to select a primary care physician in accordance with the Certificate of Coverage, the member or his or her employer group must provide the name(s) of his or her primary care physician(s) to Special Deputy James Gerber in accordance with Mr. Gerber's June 20, 2006 letter sent to all Platinum Health employer groups. Upon the member's identification of his or her primary care physician(s) as outlined above and in Mr. Gerber's June 20, 2006 letter, the status of the member's claim for health care services provided by such primary care physician(s) shall be changed from "pending" to "approved." The deadline for all Platinum Health members and/or employer groups to provide this primary care physician information is September 15, 2006; the failure to provide the required information by this deadline shall result in the member's claim being denied.

IT IS FURTHER ORDERED that, consistent with Paragraph 20 of the Corrected Order for Liquidating Receivership and Declaration of Insolvency of Ultimed HMO of Michigan, Inc. entered by the Court on April 10, 2006, all co-payments, deductibles, and other eligibility requirements contained in the Certificate of Coverage shall remain in full force and effect and shall be used for adjudicating coverage of the Platinum Health members' claims for health care services.

IT IS FURTHER ORDERED that due to the limited assets remaining in Ultimed's liquidation estate and the prohibitive cost associated with providing personalized notice to the over 2,000 creditors that have filed Proofs of Claim against the estate, the Liquidator shall provide notice of the entry of this Order by posting a copy of the Order on the OFIS website, www.michigan.gov/ofis, under the section "Who We Regulate," and the subsection "Ultimed." In addition, Special Deputy Liquidator James Gerber shall send a letter outlining the provisions of this Order to all Platinum Health employer groups and insurance agents. The Court finds that providing notice of the Order in this manner is reasonably calculated to give the Platinum Health members, agents, and employer groups, as well as Ultimed's creditors generally, actual notice of the Order's entry and is otherwise reasonable under the circumstances.

IT IS SO ORDERED.



Honorable William E. Collette
Circuit Court Judge