

# MINNEAPOLIS/ST. PAUL BUSINESS JOURNAL

## [Health Care](#)

### **Blue Cross denied Kelly Doran a scan during his recovery from lung cancer. So he switched his 250 employees to HealthPartners**

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After Blue Cross and Blue Shield of Minnesota denied prolific Twin Cities real estate developer [Kelly Doran](#) a routine scan ordered by his doctor, the lung-cancer survivor demanded a meeting with the health plan's CEO. Doran, who until recently was CEO of Doran Cos., soon discovered he was far from the only employee at his firm to have a medical procedure denied by Blue Cross.

Blue Cross sent a junior team of account executives to meet with the developer instead, Doran said. The meeting proved unfruitful.

"The fact that doctor-prescribed procedures and tests were being denied was intolerable to me for our employees and their dependents," Doran said in an interview Wednesday. "We tried to fix it with Blue Cross and Blue Shield and they refused to change anything."

Shortly after the meeting, Doran, [who stepped down as CEO](#) in May, switched his company's 250 employees over to a [HealthPartners](#) plan. The switch cost the company an extra \$70,000 a year, Doran said.

Doran's experience seems to echo some of the concerns raised by the [Minnesota Hospital Association](#) in a [27-page letter](#) made public Monday. The association, writing on behalf of the 141 hospital and health system members it represents, asked state officials to investigate Blue Cross for what it said was an illegal refusal to pay for essential health care procedures, among other issues. The MHA also said Blue Cross had imposed new rules governing prior authorization that have made it more difficult for patients to get coverage for a range of procedures.

<https://www.bizjournals.com/twincities/news/2019/07/17/blue-cross-denied-kelly-doran-a-scan-during-his.html>

Blue Cross now uses an outside, for-profit company, Evicore, to manage its prior-authorization process. The MHA claims Evicore is designed to intentionally delay care for patients and enable Blue Cross to deny payment "for as many covered services as possible."

After being denied his scan, Doran found that a number of his firm's employees — architects, lawyers, property managers, maintenance workers and others — were also denied coverage for routine procedures. Among the procedures denied by Blue Cross, according to Doran, were a mammogram, an MRI for a Doran employee's spouse who suffers from multiple sclerosis, and a sleep study for an employee whose doctor suspected sleep apnea. In each of the cases, the procedures were ordered by the employees' doctors, Doran said.

"I offered them the opportunity to retain our business as long as they agreed not to allow Evicore to be part of our process," he said. "They refused to do that, and that's when we decided we had to move to HealthPartners."

Blue Cross, the state's largest nonprofit health plan, in a statement to the Business Journal said health care costs are a concern for almost all its members, but apparently not Doran.

"If former members want to pay higher health care costs and premiums, that is their decision," the statement said. "There are other health insurance options they can choose. Not many of our members would make that choice. Most members want our help in keeping premiums affordable by securing quality care at the best price possible."

Blue Cross declined to comment on Doran's specific accusations, citing a policy that prevents the insurer from discussing the health information of current or former members.

Doran contends the shift to Evicore coincided with Dr. [Craig Samitt](#)'s appointment to the helm of Blue Cross; Samitt [started as CEO last July](#). Doran thinks Blue Cross' embrace of Evicore is evidence that Samitt has put profits ahead of patients.

"He's got an MD and an MBA, and I think his MBA is overriding his medical degree," Doran said. "This is a deliberate, intentional effort to save their money by denying coverage."

Blue Cross, in response to the MHA's allegations, [said](#) the rising costs of health care have compelled the insurer to change its policies, which it says are legal.

"It's important to understand that health care premiums reflect the costs and claims they cover, and more than 90 percent of every dollar we collect in premiums goes directly to pay for care for our members," Blue Cross said in a statement to the Star Tribune. "We believe it's important to take action that can help keep care and coverage affordable."