

**STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
FOR THE DEPARTMENT OF COMMUNITY HEALTH**

P.O. Box 30763, Lansing, MI 48909  
(877) 833-0870; Fax: (517) 334-9505

IN THE MATTER OF:

██████████,

Appellant

\_\_\_\_\_ /

Docket No. 2009-14479 QHP

Case No. ██████████

Load No. ██████████

**DECISION AND ORDER**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 42 CFR 431.200 *et seq.*, following the Appellant's request for a hearing.

After due notice, a hearing was held on ██████████. ██████████ represented herself.

██████████ (hereinafter Plan or the Plan), represented the Michigan Department of Community Health (Department).

**ISSUE**

Did the Plan properly deny the Appellant's request for replacement of a CPAP Machine?

**FINDINGS OF FACT**

Based upon the competent, material and substantial evidence presented, the Administrative Law Judge finds as material fact:

1. The Appellant is a Medicaid beneficiary, who has a CPAP machine with humidifier which was provided in ██████████.
2. The Appellant is desirous of anew CPAP machine and requested one through her medical provider on or about ██████████.
3. The CPAP machine currently in use by the Appellant was tested to determine if repair or replacement was necessary and it was determined to be in good working order.
4. The request for a replacement machine was denied by ██████████ after the

determination that the CPAP currently in use is still in good working order. A denial notice was sent to the Appellant on or about [REDACTED].

5. The Appellant appealed the denial on or about [REDACTED].

## **CONCLUSIONS OF LAW**

The Medical Assistance Program is established pursuant to Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). It is administered in accordance with state statute, the Social Welfare Act, the Administrative Code, and the State Plan under Title XIX of the Social Security Act Medical Assistance Program.

### **1.10 PRIOR AUTHORIZATION**

Medicaid requires prior authorization (PA) to cover certain services before those services are rendered to the beneficiary. The purpose of PA is to review the medical need for certain services.

*MDCH Medicaid Provider Manual, Practitioner  
Section, October 1, 2005, page 4.*

### **2.10 CONTINUOUS POSITIVE AIRWAY PRESSURE DEVICE**

#### **Standards of Coverage-**

A CPAP device may be covered for Obstructive Sleep Apnea (OSA) if a sleep study (polysomnogram) performed in an accredited Sleep Center or Sleep Laboratory documents the following:

- Apnea-Hypopnea Index (AHI) documents a minimum of 15 events per hour, or
- AHI documents 5 to 14 events per hour with related symptoms such as:
  - Excessive daytime sleepiness, impaired cognition, mood disorders; and/or
  - Hypertension, ischemic heart disease, or history of stroke, or morbid obesity.

For beneficiaries under the age of 21 only, tracheomalacia, tracheostomy complications or other anomalies of larynx, trachea, and bronchus may be covered when a particular CPAP setting improved and maintained airway patency and

oxygenation.

### **Documentation –**

Documentation must be less than 90 days old and include:

- Diagnosis and/or medical condition related to the need for the CPAP device.
- A copy of the sleep study (polysomnogram) for a diagnosis of OSA. The recorded sleep study must contain at least two hours of recorded sleep and the AHI must be calculated using actual recorded hours of sleep.
- For continued coverage beyond the initial four months, documentation must substantiate that the beneficiary has been compliant with the use of the CPAP and the device continues to be effective in treating the condition. If a unit log is maintained, the information must be submitted.
- Prescription from an appropriate pediatric subspecialist is required for coverage under the CSHCS Program.

### **PA Requirements –**

PA is not required if the Standards of Coverage are met and:

- The beneficiary is over the age of 21 and has one of the following diagnoses:
  - Obstructive Sleep Apnea (Adults)
  - Tracheostomy Complications
  - Tracheomalacia
  - Other Anomalies of Larynx, Trachea, and Bronchus
  - Insomnia With Sleep Apnea
  - Hypersomnia With Sleep Apnea
  - Other and Unspecified Sleep Apnea
- For unobstructive sleep apnea, use diagnosis description of other and unspecified sleep apnea.
- The beneficiary is under the age of 21, has one of the above diagnoses, and the device is prescribed by the appropriate pediatric subspecialist.

PA is required for:

- Medical need beyond the Standards of Coverage.
- Replacement within five years.

PA is given for the initial four months and then for the final six months.

**Payment Rules –**

A CPAP device is considered a capped rental item and is inclusive of the following:

- All accessories needed to use the unit (e.g., tubing, application devices, filters, chinstrap, headgear, etc.)
- Education on the proper use and care of the equipment.
- Routine servicing and all necessary repairs or replacements to make the unit functional.

After the first 10 months of use, necessary repairs and/or replacements of accessories are separately reimbursable. (Replacement parts for the full CPAP mask should be considered prior to replacement of entire mask.)

***Michigan Department of Community Health  
Medicaid Provider Manual; Medical Supplier  
Version Date: October 1, 2008; Pages 26 and 27***

In this case the Appellant stated at hearing she does not dispute her machine is still working. She asserts there is an insufficient amount of humidity available to her with the machine she has. She asserts this results in awakening several times per night due to dry mouth and further asserts additional medical complications as a result of the lack of humidity. She asserted she had a lesion that was failing to heal, necessitating dermatological intervention. She said she has been instructed by her doctor to drink lemon water and use Vaseline on her lesion to facilitate healing. So testified she is following her doctors' instructions.

The Department's witness testified that according to testing the machine works and that was the basis for denial. She said the request for a replacement machine offered no evidence of problems with the humidity level or other medical complications as a result of the machine the Appellant is currently using. She further testified she has to evaluate the requests that come in based upon the information provided. She did state additional clinical information was sought from the Appellant's doctor and none provided.

**DECISION AND ORDER**

Based on the above findings of fact and conclusions of law, I find the Department's denial of coverage for a replacement CPAP machine was in accordance with the applicable portion of the Medicaid Provider Manual and coverage guidelines. Should the Appellant's physician provide additional medical information on a new request, the determination may

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be different, however, based upon the information provided to the Department, the denial was appropriate.

**IT IS THEREFORE ORDERED** that:

The Department's decision is UPHELD.

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Jennifer Isiogu  
Administrative Law Judge  
for Janet Olszewski, Director  
Michigan Department of Community Health

cc:

[REDACTED]

Date Mailed: 4/10/2009

**\*\*\* NOTICE \*\*\***

The State Office of Administrative Hearings and Rules may order a rehearing on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. The State Office of Administrative Hearings and Rules will not order a rehearing on the Department's motion where the final decision or rehearing cannot be implemented within 90 days of the filing of the original request. The Appellant may appeal the Decision and Order to Circuit Court within 60 days of the mailing date of the Decision and Order or, if a timely request for rehearing was made, within 60 days of the mailing date of the rehearing decision.



