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:

[redacted]

Appellant
_____/

Docket No. 2009-6463 TRN
Case No. [redacted]
Load No. [redacted]

AMENDED DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge (ALJ) pursuant to MCL 400.9 and MCL 400.37, following the Appellant's request for a hearing.

After due notice, an in-person hearing was held on [redacted]. [redacted], mother of [redacted], (Appellant) appeared and testified on behalf of her daughter.

[redacted], represented the Department of Community Health (Department). Also appearing on behalf of the Michigan Department of Community Health was [redacted].

ISSUE

Did the DHS properly deny mileage reimbursement for future medical transportation costs incurred after [redacted]?

FINDINGS OF FACT

Based upon the competent, material, and substantial evidence presented, I find, as material fact:

1. The Appellant is a Medicaid beneficiary.

2. At all times pertinent to the disposition of the case, the Appellant was an inpatient neonatal intensive care patient in [redacted].

3. The Appellant's mother resides at [redacted] in [redacted]. The distance, one direction between the Appellant's home and the hospital is [redacted] miles.

4. The Appellant's medical providers certified a medical need for the Appellant's mother to visit with her in the neonatal intensive care unit for the purpose of infant/maternal bonding for approximately three (3) months.

5. The Appellant's mother was reimbursed for near daily round trip transportation costs between her home in [redacted] and the hospital in [redacted] for [redacted], and part of [redacted].

6. The Appellant's mother seeks mileage reimbursement for the remainder of [redacted] and [redacted].

7. The Appellant was mailed a Notice on [redacted], informing her that she would no longer be reimbursed for mileage to and from the hospital in [redacted]. The reason cited was the availability to obtain resources in the community and family to provide the transportation.

8. The Appellant, through her mother, appealed the denial. The Department of Community Health received the request for hearing on [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.

The Medical Transportation coverage under the State Medicaid Plan is addressed in the Department of Human Services, Program Administrative Manual (PAM) 825. That policy provides the Medicaid coverage requirements for medical transportation. DHS is responsible for decisions regarding Medicaid funded medical transportation.

The DHS PAM 825, provides in pertinent part:

> **COVERED MEDICAL TRANSPORTATION** Medical transportation is available to obtain medical evidence or receive any MA-covered service from any MA-enrolled provider, including:
>
> - chronic and ongoing treatment
> - prescriptions
> - medical supplies

- onetime, occasional and ongoing visits for medical care

Exception: Payment may be made for transportation to V.A. hospitals and hospitals which do not charge for care (e.g., St. Jude Children's Hospital, Shriners Hospital).

MEDICAL TRANSPORTATION NOT COVERED Do not authorize payment for the following:

- Transportation for noncovered services (e.g., AA meetings, medically unsupervised weight reduction, trips to pharmacies for reasons other than obtaining MA-covered items).
- Reimbursement for transportation for episodic medical services and pharmacy visits that has already been provided.
- Transportation costs for long-term care (LTC) residents. LTC facilities are expected to provide transportation for services outside their facilities.
- Transportation costs to meet a client's personal choice of provider for routine medical care outside the community when comparable care is available locally. Encourage clients to obtain medical care in their own community unless referred elsewhere by their local physician.
- DCH authorized transportation for clients enrolled in managed care is limited. See **"CLIENTS IN MANAGED CARE."**

Exception: Dental, substance abuse or community mental health services are not provided by managed care; therefore, an DCH authorization for medical transportation for these services may still be necessary.

- Transportation services that are billed directly to MA. See **"BILLED DIRECTLY TO DCH."**

MEDICAL TRANSPORTATION EVALUATION Evaluate a client's request for medical transportation to maximize use of existing community resources.

- If the client, or his/her family, neighbors, friends, relatives, etc. can provide transportation, they are expected to do so, **without reimbursement**. If transportation has been provided to the client at no cost, it is reasonable to expect

this to continue, except in extreme circumstances or hardship.

- Do not routinely authorize payment for medical transportation. Explore why transportation is needed and all alternatives to payment.
- Do not authorize payment for transportation unless first requested by the client.
- Use referrals to public or nonprofit agencies who provide transportation to meet individual needs without reimbursement.
- Use free delivery services that are offered by a recipient's pharmacy.
- Use bus tickets or provide for other public transportation arrangements.
- Refer to volunteer services or use state vehicles to transport the client if payment for a personal vehicle is not feasible.

LOCAL OFFICE PROCEDURES: *It is essential that medical transportation is administered in an equitable and consistent manner. It is important that local offices have procedures to assure medical transportation eligibility and that payment reflect policy. If such procedures do not exist, local office management is to initiate a process that supports this policy. (Emphasis supplied by ALJ)*

Transportation Coordination

It is recommended that local/district offices institute a "transportation coordinator" to ensure that all necessary tasks are done. This position would be responsible for establishing local procedures to assure the following:

- All requests for medical transportation are assessed and processed according to policy and local office procedures.
- Verification of current or pending MA on CIMS is available.
- The DHS-54A, Medical Needs, is given to eligible clients when required.
- Each client's need for transportation and access to resources are appropriately assessed.
- Maximum use is made of existing community transportation resources.

Note: Many transportation authorities will make tickets/passes available at special rates. The transportation coordinator is

encouraged to negotiate with the local transit authority and develop administrative procedures for distribution to recipients. In some areas it may be cost effective for local offices to contract with local transit providers for all or part of transportation services in the local office, e.g., agencies on Aging, Intermediate School Districts, local CMHSP.

- Alternative transportation means are used.
- New resources are developed within the community, including the use of social contract participants to act as schedulers, providers or in other supportive roles related to the transportation activities of the local office.
- The Department of Community Health (DCH) is contacted for any required prior authorizations.
- Sufficient MSA-4674s, Medical Transportation Statement, are given to eligible clients.
- A centralized process for returning completed MSA-4674s is developed and implemented.
- The amount of reimbursement is correct, authorization for payment is completed and forwarded to the fiscal unit, and payment is processed in a timely manner.
- A local office liaison exists for resolving transportation payment disputes

PAM 825; MEDICAL TRANSPORTATION
PROGRAM ADMINISTRATIVE MANUAL; STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
PPB 2006-010, 7-1-2006
Pages 1 through 3 of 17; page 8 of 17

With regard to timely application for reimbursement, PAM 825 provides, in pertinent part, as follows:

PRIOR AUTHORIZATION

All prior authorization requests must be submitted before the service is provided and payment is made. Exceptions will only be granted for emergency situations or when extenuating circumstances exist and are clearly documented.

No exceptions will be made for requests submitted one month or more after the service is provided.

The following transportation expenses require prior authorization from DCH:

- All outstate travel that is non-borderland (see PAM 402).
- Overnight stays if within 50 miles from recipient's home (one way).
- Overnight stays beyond 5 days (14 days for U of M MOTT Children's Pediatric Hospital).
- Overnight stays or travel outside the normal service delivery area if expenses for two or more family members are included.
- Special allowance when two or more attendants are medically necessary.
- Mileage and food costs for daily long-distance trips.
- Methadone treatment that extends beyond 18 months (DCH/ CMH).

It is important that documentation include the **specific reason(s)** why the client requires special transportation. Attach the following to the DHS-54A:

Client name
Case number
Recipient ID number
Client address
Effective travel date
Destination
Diagnosis
Specific reason/need for special transportation
Specialist name and telephone number

Prior authorization may be requested for up to 6 months in cases where prolonged treatment requires multiple transports.

For all prior authorizations, send or FAX (517) 335-0075 a memo to:

Michigan Department of Community Health
Office of Prior Authorization
Attention: Medical Transportation
PO Box 30037
Lansing, MI 48909

The memo must include the following information (see special instructions above when requesting prior authorization for special transportation):

Client name and recipient ID
Diagnosis
Reason for requested travel expense
Effective travel dates (begin and termination)
Travel origin and destination
Copy of DHS-54A (see **"Verification Sources"**)

Although it is best to FAX or send a memo, local offices can contact the Office of Prior Authorization at (517) 335-5059. The Office of Prior Authorization will respond to the local/district office with a memo.

PAM 825; MEDICAL TRANSPORTATION
PROGRAM ADMINISTRATIVE MANUAL STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
PPB 2006-010, 7-1-2006
Pages 20 & 21

DENIAL OF REIMBURSEMENT FOR TRANSPORTATION

Use a DHS-301, Client Notice (Medical Transportation Denial), to notify a client that medical transportation is denied (see RFF). The notice contains:

The action being taken.
The reason(s) for the denial.
PAM 825 as the legal base.
The individual's right to request a hearing.

PAM 825; MEDICAL TRANSPORTATION
PROGRAM ADMINISTRATIVE MANUAL STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
PPB 2006-010, 7-1-2006
Page 13

PAYMENT AUTHORIZATION

MSA-4674; Use the MSA-4674, Medical Transportation Statement, to:

• Authorize payment for routine travel expenses that do not require advance payment,

> • Verify that transportation was provided.
>
> Use an MSA-4674 to authorize payment whenever a less expensive means for medical transportation is not otherwise available. Use comparable documentation from the provider and/or transporter if the client is unable to obtain the MSA-4674 prior to a medical visit.
>
> A separate MSA-4674 is required for each medical provider or transporter. Chronic and ongoing treatment to the **same provider** may have more than 5 multiple trips within a calendar month reflected on the MSA-4674A, Medical Transportation Statement - Chronic and Ongoing Treatment (see Reference Forms & Publications (RFF) manual).
>
> You must receive the MSA-4674 within 90 days from the date of service in order to authorize payment. Do not make payment less frequently than monthly.
>
> **REIMBURSABLE EXPENSES** Compute the cost of the client's medical transportation when you receive verification that transportation has been provided. Calculate the total number of round trip miles traveled. *Use the distance from the client's home to the medical services destination(s) and back to the client's home. Accept any reasonable client or transporter statement of the mileage. Otherwise, use map miles to determine mileage. (Emphasis supplied by ALJ)*
>
> ***Exception:*** Volunteer Services drivers can be paid mileage for the distance from their home or office to the client's home and the return trip from the client's home in addition to the round trip mileage for the client's medical services. Volunteer service drivers cannot be paid for mileage when the client either failed to keep the appointment or was not at home.

In this case, there is no dispute the Appellant's medical need was legitimate. The undisputed testimony established the Appellant's mother submitted mileage reimbursement claims for near daily round trips to and from the hospital in [redacted] from her home in [redacted]. She provided undisputed testimony she and her husband owned only one (1) vehicle and he had no other means to get to work other than being driven the few (3 or 4) miles from their home to work each day. She asserts that is what she did. She further asserted that after taking her husband to work, she then drove [redacted] miles to the hospital and [redacted] miles back each day for the purpose of transporting her husband back from work to their home. She admitted she knew hospitality housing was available to her as the Appellant's mother and she could have stayed in [redacted], but asserted she could not do this because it would have left her husband without transportation to and from work. She further admitted to having a relative close by in town, but asserted it was not the family's responsibility to provide transportation for her husband and they did not even ask. She also

stated she has an aunt nearby to the hospital but could not stay at her home because her aunt smokes and has a cat and she is allergic. She stated the only way to arrange to meet her infant daughter's medical need was for her to drive the nearly [redacted] miles round trip every day so that she remained available to drive her husband the few miles to and from work each day.

The Department asserted it paid the mileage for nearly three (3) months and this gave her sufficient time to work out other arrangements if the need continued. Additionally, the doctor's certification was only for approximately three (3) months, and they paid for 2 1/2 months, complying with the stated need on the form.

This ALJ finds the Department did not improperly terminate mileage reimbursement for the Appellant. The Department had an obligation to conduct a transportation evaluation upon receipt of the request for mileage from the Appellant's mother. When it finally conducted the needed evaluation, it determined she had other resources available to meet the medical transportation need. I concur. In reality, this family was not without the transportation needed to meet the Appellant's medical needs. The Appellant' mother could/should have taken the vehicle for the purpose of meeting her daughter's need for bonding and stayed in the hospitality housing offered her in [redacted]. The transportation need that was unmet was that of her husband, who had to figure out how to get to work. How he gets to and from work is not a Medicaid covered service. The DHS was well within policy in denying future reimbursements for the unnecessary round trips between [redacted] and [redacted]. If the DHS had conducted the evaluation prior to authorizing payment at all, the request should have rightly been denied at the outset. Additionally, payment for long trips with such frequency requires prior authorization from the Department of Community Health. The Department of Human Services did not inform the Appellant she had to obtain prior authorization, thus she is not responsible for a the failure to obtain it. However, she is not entitled to mileage reimbursement for the remainder of [redacted] and [redacted].

DECISION AND ORDER

Based on the above findings of fact and conclusions of law, I find the DHS has properly denied the Appellant's requests for reimbursement for medical transportation.

IT IS THEREFORE ORDERED THAT:

The Department's decision is UPHELD.

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

[redacted]
Docket No. 2009-6463 TRN
Amended Decision and Order

cc: [redacted]

Date Mailed:

***** NOTICE *****

The law provides that within 30 days of receipt of the above Decision and Order the Appellant may appeal it to the circuit court for the county in which he/she lives. The Administrative Tribunal, on its own motion, or on request of a party within 30 days of the receipt of this Decision and Order, may order a rehearing. The Administrative Tribunal 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.