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:

Docket No. 2009-6464 MSB
Case No. [redacted]
Load No. [redacted]

[redacted]

Appellant
_____/

DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Appellant's request for a hearing.

After due notice, a hearing was held on [redacted]. [redacted] appeared on his own behalf. [redacted], Appellant's spouse, appeared as a witness for the Appellant. [redacted], represented the Department of Community Health (MDCH or Department). [redacted], appeared as a witness for the Department.

ISSUE

Did the Department properly deny payment for Appellant's bill for services provided by an out-of-state, non-Medicaid enrolled provider?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material, and substantial evidence on the whole record, finds as material fact:

1. After meeting his monthly spend-down, Appellant was eligible for full coverage Michigan Medicaid from [redacted] through [redacted]. (Exhibit 1, pages 6 and 8).

2. [redacted] is an out-of-state, non-Michigan Medicaid enrolled provider in [redacted]. (Exhibit 1, pages 2, 3, 5 and 6).

3. The Appellant received services from [redacted] emergency room, in [redacted], on [redacted]. (Exhibit 1, page 3).

4. Appellant received billing statements in [redacted] from the [redacted] non-Medicaid enrolled provider. (Exhibit 1, pages 2 and 3).

5. The Department was prohibited from paying the [redacted] bill because the provider was an out-of-state, non-Medicaid enrolled provider. (Exhibit 1, page 6).

6. The Department contacted the [redacted] who indicated it was not interested in becoming a Michigan Medicaid enrolled provider. (Exhibit 1, page 6).

7. More than one year after [redacted], an agency acting on behalf of the [redacted] sent a collection notice to Appellant for the amount of [redacted]. (Exhibit 1).

8. The Department received Appellants' request for hearing on [redacted]. (Exhibit 1, pages 2 and 3).

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.

In this case, the Appellant was eligible for full Medicaid coverage on [redacted], when he used emergency room services in [redacted].

The Department was not billed or denied paying the bill because the provider was a non-Medicaid enrolled provider. The Department witness testified that an out-of-state provider could be paid by Michigan Medicaid if the out-of-state provider was enrolled in the Michigan Medicaid program. The Department witness explained that because the [redacted] provider was not enrolled as a Michigan Medicaid provider the federal HIPAA privacy rules and Department policy prohibit Michigan Medicaid from reimbursing for those services.

Department policy addressing enrollment of providers as a requirement for reimbursement is found in the *Michigan Medicaid Provider Manual*, as follows:

> All providers (except pharmacies) rendering service to Michigan Medicaid beneficiaries must complete the online application process described in the Provider Enrollment Section of this Chapter in order to receive reimbursement.
>
> *Medicaid Provider Manual, General Information for Providers Section, January 1, 2009, Page 10.*

The Department witness explained that a Department analyst contacted the [redacted] provider by telephone but the provider indicated it was not interested in enrolling in the Michigan

Medicaid program. The Department stated the bill was properly denied because it is prohibited from paying a provider that is not under contract with the Department, and further that they cannot force a provider to contract with Michigan Medicaid.

All claims must be submitted in accordance with the policies, rules, and procedures as stated in the manual. The Department witness noted that even if the [redacted] provider enrolled at this time, Appellant's bill must have been received within twelve months of the date of service in order to be reimbursed.

With regard to timely billing, the *Medicaid Provider Manual* states:

> A claim must be initially received and acknowledged (i.e., assigned a CRN) by MDCH within twelve months from the date of service (DOS).
>
> *Medicaid Provider Manual, General Information for Providers Section, January 1, 2009, Page 22.*

The Department witness testified that it has been over twelve months since the date of service in [redacted] and even if the provider enrolled at this date, it would be past the date of service by more than a year and would be rejected by the reimbursement system.

The Department is prohibited from reimbursing providers who have not completed the Michigan Medicaid Provider Enrollment. The preponderance of evidence in this case demonstrates that the out-of-state [redacted] provider was not an enrolled Michigan Medicaid Provider and more than twelve months had passed since the date of service. As such, the Department was proper to deny reimbursement to a non-enrolled provider.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department properly denied services provided to Appellant by a non-Michigan Medicaid enrolled provider.

IT IS THEREFORE ORDERED that:

The Department's decision is AFFIRMED.

Lisa K. Gigliotti
Administrative Law Judge
for Janet Olszewski, Director
Michigan Department of Community Health

cc: [redacted]

Date Mailed: 2/18/2009

***** 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 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt of the rehearing decision.