

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

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IN THE MATTER OF:

Docket No. 2010-16098 PA
Case No. [REDACTED]

[REDACTED]

Appellant

_____ /

DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge (ALJ) 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 [REDACTED]

The Appellant was represented by her son, [REDACTED]

The Department of Community Health was represented by [REDACTED]
[REDACTED]. [REDACTED], appeared as a witness on behalf of the Department.

ISSUE

Did the Department properly deny the Appellant's request for coverage of the nutritional supplement Nepro Nutrient?

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 [REDACTED] year old woman who is a Medicaid beneficiary.
2. The Appellant is diagnosed with renal failure. She is diabetic, has uterine cancer, possible dementia and is cognitively impaired. She is taking dialysis.
3. The Appellant has a low albumin level. She requires a high level of protein and calories with limitations to sugar intake to maintain a healthy nutrition status.

4. Nepro is a nutritional supplement specifically designed for use by diabetic, renal patients on dialysis.
5. The Appellant is unable to consume sufficient quantities of high biologic value protein and calories to meet her nutritional needs. (Department exhibit A, page 8).
6. The Appellant does not have teeth and is cognitively impaired.
7. The Appellant had previously been given prior authorization for Nepro by the Department of Community Health. She will drink it.
8. The Appellant's doctor prescribed Nepro and requested prior authorization for continued use of the supplement on ██████████
9. Following review of medical documentation of the Appellant's nutritional status and needs, as prepared by her dietician, the Department denied the request for prior authorization on ██████████
10. Thereafter, on ██████████, the Department sent a denial notice to the Appellant.
11. On ██████████, the Appellant filed a Request for Hearing with the State Office of Administrative Hearings and Rules.

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 Medicaid Provider Manual addresses the need for prior authorization in the General Information for Providers Chapter at Section 8-Prior Authorization.

8.1 General Information

There may be occasions when a beneficiary requires services beyond those ordinarily covered by Medicaid or needs a service that requires prior authorization (PA). In order for Medicaid to reimburse the provider in this situation, MDCH requires that the provider obtain authorization for these services before the service is rendered. Providers should refer to their provider-specific chapter for the PA requirements.

The Medical Supplier Chapter addresses the PA requirements for medical equipment requests. It states in pertinent part:

1.7 Prior authorization

Prior authorization (PA) is required for certain items before the item is provided to the beneficiary or, in the case of custom-made DME or prosthetic/orthotic appliance, before the item is ordered. To determine if a specific service requires PA, refer to the Coverage Conditions and Requirements Section of this chapter and/or the MDCH Medical Supplier Database on the MDCH website.

PA will be required in the following situations:

- Services that exceed quantity/frequency limits or established fee screen.
- Medical need for an item beyond MDCH's Standards of Coverage.
- Use of a Not Otherwise Classified (NOC) code.
- More costly service for which a less costly alternative may exist.
- Procedures indicating PA is required on the MDCH Medical Supplier Database.

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1.5 MEDICAL NECESSITY

Services are covered if they are the most cost-effective treatment available and meet the Standards of Coverage stated in the Coverage Conditions and Requirements Section of this chapter. A service is determined to be medically necessary if prescribed by a physician and it is:

- Within applicable federal and state laws, rules, regulations, and MDCH promulgated policies.
- Medically appropriate and necessary to treat a specific medical diagnosis or medical condition, or functional need.
- Within accepted medical standards; practice guidelines related to type, frequency, and duration of treatment; and within scope of current medical practice.

- Inappropriate to use a nonmedical item.
- The most cost effective treatment available.

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1.10 NONCOVERED ITEMS

Items that are not covered by Medicaid include, but are not limited to:

- Adaptive equipment (e.g., rocker knife, swivel spoon, etc.)
- Air conditioner
- Air purifier
- **Enteral formula to accommodate psychological or behavioral conditions, food preferences, allergies, loss of appetite, or noncompliance with a specialized diet**
- Environmental Control Units
- Equipment not used or not used properly by the beneficiary
- Equipment for social or recreational purposes
- Exam tables/massage tables
- Exercise equipment (e.g., tricycles, exercise bikes, weights, mat/mat tables, etc.)
- Generators
- Hand/body wash
- Heating pads
- Home modifications
- Hot tubs
- House/room humidifier
- Ice packs
- Items for a beneficiary who is non-compliant with a physician's plan of care (or) items ordered for the purpose of solving problems related to noncompliance (e.g., insulin pump)
- Items used solely for the purpose of restraining the beneficiary for behavioral or other reasons
- Lift chairs, reclining chairs, vibrating chairs
- More than one pair of shoes on the same date of service
- New equipment when current equipment can be modified to accommodate growth
- Nutritional formula representing only a liquid form of food

- Nutritional puddings/bars
- Over-the-counter shoe inserts
- Peri-wash
- Portable oxygen, when oxygen is ordered to be used at night only
- Power tilt-in-space or reclining wheelchairs for a long-term care resident because there is limited staffing
- Pressure gradient garments for maternity-related edema
- Prosthetic appliances for a beneficiary with a potential functional level of K0
- Regular or dietetic foods (e.g., Slimfast, Carnation instant breakfast, etc.)
- Room dehumidifiers
- School Items (e.g., computers, writing aids, book holder, mouse emulator, etc.)
- Second units for school use
- Second wheelchair for beneficiary preference or convenience
- Sensory Devices (e.g., games, toys, etc.)
- Sports drinks/juices
- Stair lifts
- Standard infant/toddler formula
- Therapy modalities (bolsters, physio-rolls, therapy balls, jett mobile)
- Thickeners for foods or liquids (e.g., Thick – it)
- Toothettes
- Transcutaneous Nerve Stimulator when prescribed for headaches, visceral abdominal pain, pelvic pain, or temporal mandibular joint (TMJ) pain
- Ultrasonic osteogenesis stimulators
- UV lighting for Seasonal Affective Disorder
- Vacu-brush toothbrushes
- Weight loss or "light" products
- Wheelchair lifts or ramps for home or vehicle (all types)
- Wheelchair accessories (e.g., horns, lights, bags, special colors, etc.)
- Wigs for hair loss

For specific procedure codes that are not covered, refer to the MDCH Medical Supplier Database on the MDCH website or the Coverage Conditions and Requirements Section of this chapter. (emphasis added by ALJ)

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2.13.A Enteral Nutrition (Administered Orally)

Standards of Coverage

Enteral nutrition (administered orally) may be covered for beneficiaries under the age of 21 when:

- A chronic medical condition exists in nutritional deficiencies and a three month trial is required to prevent gastric placement.
- Supplemental to regular diet or meal replacement is required, and the beneficiary's weight-to-height ratio has fallen below the fifth percentile on standard growth grids.
- Physician documentation details low percentage increase in growth pattern or trend directly related to the nutritional intake and associated diagnosis/medical condition.

For CHSCS coverage, a nutritionist or appropriate subspecialist must indicate that long-term enteral supplementation is required to eliminate serious impact on growth and development.

For beneficiaries age 21 and over:

- The beneficiary must have a medical condition that requires the unique composition of the formulae nutrients that the beneficiary is unable to obtain from food
- The nutritional composition of the formulae represents an integral part of treatment of the specified diagnosis/medical condition.
- The beneficiary has experienced significant weight loss.

Documentation

Documentation must be less than 30 days old and include:

- Specific diagnosis/medical condition related to the beneficiary's inability to take or eat food
- Duration of need
- Amount of calories needed per day
- Current height and weight, as well as change over time. (for beneficiaries under 21, weight-to-height ratio)
- Specific prescription identifying levels of individual nutrient(s) that is required in increased or restricted amounts.
- List of economic alternatives that have been tried
- Current laboratory values for albumin or total protein (for beneficiaries age 21 and over only).

For continued use beyond 3-6 months, the CHSCS Program requires a report from a nutritionist or appropriate pediatric subspecialist.

PA Requirements

PA is required for all enteral formulae for oral administration.

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This ALJ reviewed the evidence of record to determine whether the Standards of Coverage were met with the documentation submitted. The documentation from the Appellant's doctor was considered very carefully. The Standards of Coverage have been met the documentation examined by this ALJ. The Appellant suffers a medical condition that requires the unique formulation of nutrients present in the supplement. It is specifically formulated for renal diabetics. She is unable to take in the nutrients due to lack of teeth and cognitive impairment. Finally, she has documented significant weight loss, from 70.5kg to 66.5kg in a two (2) month time period.

The Department sought to deny the prescribed supplement due to the determination that she has a simple food preference, evidenced on page 12 of the exhibit. The notes from the Department witness indicates "she is tired of many HBU foods". This is intending to show there is a reason why the prescribed supplement falls under the non-covered items. It is not as simple as that. She is cognitively impaired. This is a medical condition, not a preference. Her cognitive impairment impedes her ability to understand why she needs to eat continuously. It further impairs her ability to do so. Moreover, she also does not have teeth according to the uncontested, credible evidence provided by her son at hearing. A

lack of teeth would impair her ability to ingest the high protein foods necessary to maintain her health. There was no evidence of record reconciling the medical condition of being cognitively impaired, along with her other medical complications, with the stated Department policy that does not allow for authorization of nutritional supplement to accommodate food preference. The Appellant's uncontested cognitive impairment was not taken into consideration by the Department when it determined she had a food preference. The Appellant's son and doctors are not expected to have success attempting to reason with the Appellant regarding food choices, due to her medical condition of cognitive impairment. Because the Appellant's ability to reason is impaired, she cannot be expected to understand and fully comply with all dietary restrictions. The policy must be understood within a reasonable context. The policy is not understood to disregard other medical conditions that result in impaired judgments. Rather, if there were no other medical factors impeding the Appellant's ability to ingest what she needs to ingest to stay healthy, it would be a simple matter of food preference. However, here, not only does she lack teeth, her cognitive ability to disregard her own preferences is impaired.

The Appellant's son provided a limited amount of testimony before discontinuing his participation in the proceedings. He credibly testified his mother has no teeth, is on a specific diet for diabetics, and suffers other medical conditions. He stated he had to tend to his mother's incontinence needs, thus could no longer participate in the proceedings. He further stated he would continue to provide the care she needs regardless of the Department's determination.

After review of the Standards of Coverage and documentation requirements, this ALJ finds the evidence of record supports the Appellant's position.

IT IS THEREFORE ORDERED that:

The Department's decision is REVERSED.

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

cc:

[REDACTED]

Date Mailed: _____

***** 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.