

**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. 2010-27532 PA
Case No. [REDACTED]**

[REDACTED],

Appellant

_____ /

DECISION AND ORDER

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

After due notice, a hearing was held on [REDACTED]. [REDACTED], Appellant's mother, appeared as the Appellant's representative. [REDACTED], Appeals Review Officer, represented the Department. [REDACTED], Utilization Analyst, appeared as a witness for the Department.

ISSUE

Did the Department properly deny the Appellant's prior authorization request for a rechargeable battery for cochlear implant?

FINDINGS OF FACT

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

1. The Appellant is a [REDACTED] Medicaid beneficiary who has profound sensorineural hearing loss. The Appellant underwent surgery for the implant [REDACTED], and placement [REDACTED]. (Testimony and Exhibit 1, page 5)
2. On [REDACTED], the Department received a prior approval-request for a rechargeable battery for the Appellant from [REDACTED]. (Exhibit 1 page 10)
3. On [REDACTED] the Department sent a request for additional information to [REDACTED]. (Exhibit 1, page 9)

4. In ██████████, ██████████ re-submitted the request. (Testimony and Exhibit 1, pages 5-8)
5. On ██████████, the Department denied the prior authorization request because the submitted information did not support medical necessity or cost effectiveness for a rechargeable battery. (Exhibit 1, page 4)
6. On ██████████, the State Office of Administrative Hearings and Rules received the hearing request filed on the Appellant's behalf. (Exhibit 1, page 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.

The Program Overview for the Medical Supplier section of the Medicaid Provider Manual states:

Medicaid covers the least costly alternative that meets the beneficiary's medical need for medical supplies, durable medical equipment or orthotics/prosthetics.

*MDCH Medicaid Provider Manual,
Medical Supplier Section 1,
October 1, 2009, page 1.*

In the present case, the Department determined that based on the submitted medical documentation, medical necessity and cost effectiveness were not supported for the rechargeable battery. The Utilization Analyst noted that they specifically requested additional information regarding what type of batteries the Appellant has used since ██████████, and for a comparison showing how the rechargeable battery would be an economic alternative. The Utilization Analyst testified that this Appellant has used the disposable zinc batteries in the past. The Utilization Analyst also calculated the cost of the replacement battery compared to disposable zinc batteries under the program limits, utilizing the submitted invoice cost for the rechargeable battery. (Exhibit 1, pages 8 and 13) The Utilization Analyst determined that the annual program limit of 300 disposable batteries would cost ██████████, while the annual program limit of two (2) rechargeable batteries would be ██████████. The Utilization Analyst further testified that there may be other costs associated with the rechargeable batteries such as a charger unit and power supply.

The Appellant's mother disagrees with the Department's denial and believes that a beneficiary should be able to choose they type of battery they prefer. The Appellant's mother testified that the Appellant primarily used the rechargeable battery that came with the implant kit and prefers this to carrying around a bunch of the disposable batteries.

While this ALJ understands that the Appellant may have a preference, Medicaid policy is clear that the least costly alternative that meets the beneficiary's medical needs will be covered. The submitted documentation indicates that the Appellant's current rechargeable battery is no longer holding a charge. However, the documentation only indicates that the rechargeable batteries are more environmentally friendly and does not note that the Appellant has had any problems using disposable batteries in the past, nor does it address the cost difference between the disposable and rechargeable batteries. (Exhibit 1, pages 5-8)

Based on the submitted information, the Department properly denied the Appellant's request for the rechargeable battery. If the Appellant has had problems using the disposable batteries or if the provider has additional information showing that the rechargeable battery is more cost effective than the disposable batteries, a new prior authorization request can always be submitted to the Department with supporting documentation.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department properly denied the Appellant's request for a rechargeable battery for cochlear implant.

IT IS THEREFORE ORDERED that:

The Department's decision is **AFFIRMED**.

Colleen Lack
Administrative Law Judge
for Janet Olszewski, Director
Michigan Department of Community Health

cc:

[REDACTED]

Docket No. 2010-27535 PA
Decision & Order

Date Mailed: 6/23/2010

***** 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.