

**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. 2010-31893 MCE  
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.*, upon the Appellant's request for a hearing appealing the Department's denial of exception from Medicaid Managed Care Program enrollment.

After due notice, a hearing was held on [REDACTED] [REDACTED] appeared on behalf of the Appellant. [REDACTED] appeals review officer, represented the Department. His witness was [REDACTED] Michigan Department of Community Health (MDCH) medical exception specialist.

**ISSUE**

Did the Department properly deny Appellant's request for exception from Managed Care Program enrollment?

**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.
2. The Appellant resides in Alba, Michigan.
3. The Appellant is in that population required to enroll in a Medicaid Health Plan (MHP).
4. The Appellant is enrolled in Molina Health Plan and has been a member of that plan since [REDACTED] See Testimony of Miller and Appellant's Exhibit #1.

5. On ██████████, the Michigan Department of Community Health Enrollment Services Section received a managed care exception request from the Appellant's family practice physician, Dr. ██████████ M.D. Department's Exhibit A, p. 7
6. On ██████████, the Appellant's request for a managed care exception was denied. Department's Exhibit A, p. 2
7. On ██████████, the instant request for hearing was received by the Department. Appellant's Exhibit #1

### **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.

On May 30, 1997, the Department was notified of the Health Care Financing Administration's approval of its request for a waiver of certain portions of the Social Security Act to restrict Medicaid beneficiaries' choice to obtain medical services only from specified Qualified Health Plans.

Michigan Public Act 131 of 2009 states, in relevant part:

Sec. 1650 (3) The criteria for medical exceptions to HMO enrollment shall be based on submitted documentation that indicates a recipient has a serious medical condition, and is undergoing active treatment for that condition with a physician who does not participate in 1 of the HMOs. If the person meets the criteria established by this subsection, the department shall grant an exception to mandatory enrollment at least through the current prescribed course of treatment, subject to periodic review of continued eligibility.

The Medicaid Provider Manual (MPM), Beneficiary Eligibility §9.3, July 1, 2010, page 31, states:

The intent of the medical exception process is to preserve continuity of medical care for a beneficiary who is receiving active treatment for a serious medical condition from an attending physician [ ] who would not be available to the beneficiary if the beneficiary is enrolled in a MHP. The medical exception may be granted on a time-limited basis necessary to complete treatment for the serious condition.

The medical exception process is only available to a beneficiary who is not yet enrolled in a MHP, or who has been enrolled for less than two months. MHP enrollment would be delayed until one of the following occurs:

- the attending physician completes the current ongoing plan of medical treatment for the patient's serious medical condition, or
- the condition stabilizes and becomes chronic in nature, or
- the physician becomes available to the beneficiary through enrollment in a MHP.

If the treating physician can provide service through a MHP that the beneficiary can be enrolled in, then there is no basis for a medical exception to managed care enrollment.

The MPM also states at pp. 31-32:

### **Serious Medical Condition**

Grave, complex, or life threatening

Manifests symptoms needing timely intervention to prevent complications or permanent impairment.

An acute exacerbation of a chronic condition may be considered serious for the purpose of medical exception.

### **Chronic Medical Condition**

Relatively stable

Requires long term management

Carries little immediate risk to health

Fluctuates over time, but responds to well-known standard medical treatment protocols.

### **Active treatment**

Active treatment is reviewed in regards to intensity of services when:

- The beneficiary is seen regularly, (e.g., monthly or more frequently,) and
- The condition requires timely and ongoing assessment because of the severity of symptoms and/or the treatment.

### **Attending/Treating Physician**

The physician [ ] may be either a primary care doctor or a specialist whose scope of practice enables the interventions necessary to treat the serious condition.

### **MHP Participating Physician**

A physician is considered participating in a MHP if he is in the MHP provider network or is available on an out-of-network basis with one of the MHPs with which the beneficiary can be enrolled. The physician may not have a contract with the MHP but may have a referral arrangement to treat the plan's enrollees. If the physician can treat the beneficiary and receive payment from the plan, then the beneficiary would be enrolled in that plan and no medical exception would be allowed.

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The Appellant seeks medical exception owing to his diagnosis of Parkinson's disease and his inability to locate a local, in-network neurologist.

The Department witness, ████████, testified that the Appellant's request was denied following review for lack of active treatment. She also noted that the Appellant had been a member of the ████████ Health Plan for a period of time greater than two (2) months. ████████ further explained that in order to receive an exception from managed care the Appellant must satisfy all three (3) statutory criteria; seriousness, active treatment and a non-participating physician. *Supra*.

Today, she explained, that an Medical Services Administration (MSA) physician reviewer agreed with her analysis that the Appellant was not engaged in active treatment, that Dr. ████████ was a participating physician and that specialty care was available to the Appellant through the MHP. The Department witness also suggested that the Appellant utilize a case manager, available through ████████ Health Plan, to assist him with coordinating his health care.

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**Hearing Decision & Order**

On review, I gave the testimony of Department witness [REDACTED] controlling weight. She clearly explained that the Appellant failed to qualify for exception and that appropriate treatment [including specialty care] could be received within the MHP, including out of network specialty services if necessary.

The Appellant failed to preponderate his burden of proof by proving active (monthly or greater) treatment, for a serious condition from a non-participating physician.

**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 exception from managed care.

**IT IS THEREFORE ORDERED** that:

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

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Dale Malewska  
Administrative Law Judge  
for Janet Olszewski, Director  
Michigan Department of Community Health

cc:



Date Mailed: 7/19/2010

**\*\*\* 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.