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. 2011-11524 PA
Case No. 78090823

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 [redacted].

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

ISSUE

Did the Department properly deny the Appellant's request for coverage of compression stockings?

FINDINGS OF FACT

Based upon the competent, material and substantial evidence presented, the Administrative Law Judge finds as material fact:

1. The Appellant is [redacted] who is a Medicaid beneficiary.

2. The Appellant has a medical need for compression stockings to address the edema she suffers in her legs.

3. The Appellant's physician wrote a prescription for the compression stockings and her medical supplier, [redacted] submitted a request for coverage to the Department.

4. The Certificate of Medical Necessity submitted by the medical supplier states the diagnosis code for the Appellant is 7823, Edema.

5. Following review of the documentation submitted, including that sent following a request for additional information, the Department denied the request for prior authorization on [redacted].

6. On [redacted], 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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The Standards of Coverage for compression garments such as those requested by the Appellant are explicitly addressed in the manual and cited below:

> **2.36 PRESSURE GRADIENT PRODUCTS**
> **Definition** Pressure gradient products include, but are not limited to, sleeves, wrist gauntlets, vests, legs, etc.
>
> **Standards of Coverage**
> Pressure gradient products may be covered to reduce edema, promote circulation, reduce scarring or reduce retention of fluid in the extremities due to the following conditions:
>
> - Lymphedema
> - Chronic venous insufficiency
> - Thrombophlebitis
> - Burns
>
> Up to two garments may be covered when the items must be worn for 24 hours. Gradient compression stockings are custom-fabricated or custom-measured support and are covered when ordered by a physician to treat one of the above conditions and deliver at least 18 mmHG or greater compression. For custom burn garments, refer to HCPCS codes A6501- A6512.
>
> Surgical stockings, such as heavy elastic or anti-embolism stockings, are covered when ordered by a physician as a short-term treatment (up to three months) after a surgical event (e.g., prevent blood clots for non-ambulatory individuals after hospital discharge). If required for treatment during an inpatient hospital stay or outpatient hospital visit, the service will not be reimbursed to the medical supplier.
>
> **Documentation** Documentation must be less than 60 days old and include the following:
>
> - Diagnosis of condition being treated
> - Item to be dispensed
> - Number of hours to be worn
> - Location and number of extremities involved
>
> **PA Requirements**
> PA is not required for ready-made pressure gradient products up to established quantity limits.

PA is required for:

- All custom-measured products and special features such as a zipper, enclosed toe, open pubis, etc.
- Replacement within three months

Payment Rules
All pressure gradient products are considered a **purchase only** item.

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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 policy indicates the compression garments are covered but only for specific diagnoses. Edema is not among them. The only evidence of record addressing the Appellant's relevant diagnosis is that she has edema, thus it does not support coverage.

This ALJ is sympathetic to the Appellant's medical condition, however, is restricted to application of the policy published in the Medicaid Provider Manual and must strictly apply the provisions therein. The authority of this ALJ does not include equitable jurisdiction.

IT IS THEREFORE ORDERED that:

The Department's decision is AFFIRMED.

Jennifer Isiogu
Administrative Law Judge
for Olga Dazzo, Director
Michigan Department of Community Health

cc: [redacted]

Date Mailed: 3/8/2011

***** 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.