

**STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
FOR THE DEPARTMENT OF COMMUNITY HEALTH**

P.O. Box 30763, Lansing, MI 48909  
(877) 833-0870; Fax: (517) 334-9505

IN THE MATTER OF:

██████████,

Appellant

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Docket No. 2012-33508 QHP  
Case No. ██████████

**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 ██████████. The Appellant was represented by his mother, ██████████.

██████████ was represented by ██████████, Appeals Coordinator. ██████████, Medical Director, appeared as a witness for ██████████. ██████████ is a Department of Community Health contracted Medicaid Health Plan.

**ISSUE**

Did the Medicaid Health Plan properly deny the Appellant's request for orthotic shoe inserts?

**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 ██████████ Medicaid beneficiary who is enrolled in ██████████ a Department of Community Health contracted Medicaid Health Plan (MHP).
2. The Appellant is diagnosed with hypotonia (Exhibit A, pages 2,8 9& 11).
3. On ██████████, a request for coverage was submitted requesting custom orthotic shoe inserts to provide increased foot support and alignment for safe ambulation.

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4. On [REDACTED], the MHP sent a letter to the Appellant and his provider stating that the request for orthopedic shoe inserts was denied because it is not a covered benefit under [REDACTED] Evidence of Coverage Guidelines for diagnosis provided.
5. The Appellant requested a formal administrative hearing contesting the denial on [REDACTED].

**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 received approval from the Health Care Financing Administration, U.S. Department of Health and Human Services, allowing Michigan to restrict Medicaid beneficiaries' choice to obtain medical services only from specified Medicaid Health Plans.

The Respondent is one of those Medicaid Health Plans.

The covered services that the Contractor has available for enrollees must include, at a minimum, the covered services listed below (List omitted by Administrative Law Judge). The Contractor may limit services to those which are medically necessary and appropriate, and which conform to professionally accepted standards of care. Contractors must operate consistent with all applicable Medicaid provider manuals and publications for coverages and limitations. If new services are added to the Michigan Medicaid Program, or if services are expanded, eliminated, or otherwise changed, the Contractor must implement the changes consistent with State direction in accordance with the provisions of Contract Section 1-Z.

*Article II-G, Scope of Comprehensive Benefit Package.  
MDCH contract (Contract) with the Medicaid Health Plans,  
September 30, 2004.*

The major components of the Contractor's utilization management plan must encompass, at a minimum, the following:

- Written policies with review decision criteria and procedures that conform to managed health care industry standards and processes.
- A formal utilization review committee directed by the Contractor's medical director to oversee the utilization review process.
- Sufficient resources to regularly review the effectiveness of the utilization review process and to make changes to the process as needed.
- An annual review and reporting of utilization review activities and outcomes/interventions from the review.

The Contractor must establish and use a written prior approval policy and procedure for utilization management purposes. The Contractor may not use such policies and procedures to avoid providing medically necessary services within the coverages established under the Contract. The policy must ensure that the review criteria for authorization decisions are applied consistently and require that the reviewer consult with the requesting provider when appropriate. The policy must also require that utilization management decisions be made by a health care professional who has appropriate clinical expertise regarding the service under review.

*Article II-P, Utilization Management, Contract,  
September 30, 2004.*

The MHP failed to provide evidence it has developed coverage guidelines different from those in the Medicaid Provider Manual, therefore reference is made to the known policy. Section 2.24 of the Medical Supplier portion of the Medicaid Provider Manual, effective July 1, 2010, addresses orthopedic footwear.

## **2.24 ORTHOPEDIC FOOTWEAR**

### **Definition**

Orthopedic footwear may include, but are not limited to, orthopedic shoes, surgical boots, removable inserts, Thomas heels, and lifts.

### **Standards of Coverage**

**Orthopedic shoes and inserts** may be covered if any of the following applies:

- Required to accommodate a leg length discrepancy of ¼ inch or greater or a size discrepancy between both feet of one size or greater.
- Required to accommodate needs related to a partial foot prosthesis, clubfoot, or plantar fasciitis.
- **Required to accommodate a brace (extra depth only are covered).** (emphasis added by ALJ)

**Surgical Boots or Shoes** may be covered to facilitate healing following foot surgery, trauma or a fracture.

#### **Noncovered Items**

Shoes and inserts are noncovered for the conditions of:

- Pes Planus or Talipes Planus (flat foot)
- Adductus metatarsus
- Calcaneus Valgus
- Hallux Valgus

Standard shoes are also noncovered.

#### **Documentation**

Documentation must be less than 60 days old and include the following:

- Diagnosis/medical condition related to the service requested.
- Medical reasons for specific shoe type and/or modification.
- Functional need of the beneficiary.
- Reason for replacement, such as growth or medical change.

**CSHCS requires** a prescription from an appropriate pediatric subspecialist.

#### **PA Requirements**

PA is not required for the following items if the Standards of Coverage are met:

- Surgical boots or shoes.
- Shoe modifications, such as lifts, heel wedges, or metatarsal bar wedges up to established quantity limits.
- **Orthopedic shoe to accommodate a brace.** (emphasis added by ALJ)

- Orthopedic shoes and inserts when the following medical conditions are present:
  - Plantar Fascial Fibromatosis
  - Unequal Leg Length (Acquired)
  - Talipes Ezuinovarus (Clubfoot)
  - Longitudinal Deficiency of Lower Limb, Not Elsewhere Classified
  - Unilateral, without Mention of Complication (Partial Foot Amputation)
  - Unilateral, Complicated (Partial Foot Amputation)
  - Bilateral, without Mention of Complication (Partial Foot Amputation)
  - Bilateral, Complicated (Partial Foot Amputation)

PA is required for:

- All other medical conditions related to the need for orthopedic shoes and inserts not listed above.
- All orthopedic shoes and inserts if established quantity limits are exceeded.
- Medical need beyond the Standards of Care.
- Beneficiaries under the age of 21, replacement within six months.
- **Beneficiaries over the age of 21, replacement within one year.** (emphasis added by ALJ)

#### **Payment Rules**


These are **purchase only** items.

*Medicaid Provider Manual, Medical Supplier Section,  
July 1, 2010, Pages 49-50.*

In this case the Appellant's mother credibly testified he requires support for his feet or he will not walk. She further testified when he does walk his right foot is twisted inward.

The witness for the MHP stated the diagnosis code and name of the medical condition hypotonia is not a covered diagnosis for customized orthotic shoe inserts.

The Medicaid policy cited above sets forth specific criteria for coverage of footwear inserts. There is no evidence of record supporting the assertion that the shoe inserts are a covered benefit for the medical condition the Appellant is diagnosed with.

  
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**DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the MHP properly denied the Appellant's request for shoe inserts to address the Appellant's diagnosis.

**IT IS THEREFORE ORDERED** that:

The Medicaid Health Plan's decision is AFFIRMED.

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

cc: 

Date Mailed: June 5, 2012

**\*\*\* NOTICE \*\*\***

The Michigan Administrative Hearing System 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 Michigan Administrative Hearing System 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.