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

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IN THE MATTER OF:

,

Docket No. 2012-7208 MCE Case No.

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 appealing the Department's denial of exception from Medicaid Managed Care Program enrollment.

After	due	notice,	a hearin	g was	held	on							
	,	Social	Worker,	appea	red or	n beha	alf of t	the A	Appell	ant.		,	Medical
Exce	otion	Special	list/MDCF	/MSA	repre	sented	I the [Сера	rtmer	nt. Sh	ne had no	witr	nesses.

<u>ISSUE</u>

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 disabled, —-year-old Medicaid beneficiary. (Appellant's Exhibit #1)
- 2. The Appellant resides in Exhibit #1) Michigan. (Appellant's
- 3. The Appellant is in that population required to enroll in a Medicaid Health Plan (MHP). (Department's Exhibit A, p. 2)
- 4. The Appellant is currently enrolled as a Fee-For-Service (FFS) Medicaid recipient and remains so enrolled during the pendency of this appeal. (Department's Exhibit A, p. 2)
- 5. On Community Health

Enrollment Services Section received a managed care exception request from the Appellant's physican, **a participating** provider. (Department's Exhibit A, pp. 2, 8, 10, 14)

- 7. On exception was denied. (Department's Exhibit A, pp. 2, 11, 12)
- 8. On **Construction**, the Appellant was sent a denial notification letter which included her managed care options and her further appeal rights. (Department's Exhibit A, pp. 2, 3, 11, 12)
- 9. On ______, the Appellant's request for Managed Care Exception was reviewed by MSA Chief Medical Officer, ______, and upheld. (Department's Exhibit A, pp. 2, 15)
- 10. The instant request for hearing was received from the Appellant on . ((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 <u>serious medical condition</u>, and is undergoing <u>active treatment</u> for that condition with a <u>physician who does not participate</u> 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.

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The Medicaid Provider Manual (MPM), Beneficiary Eligibility §9.3, January 1, 2012, 2010, page 37, 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. 37-38:

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-ofnetwork 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.

The Appellant seeks medical exception owing to her diagnosis of metabolic syndrome and her comfort level with her physican.

Her representative argued that the Appellant believes she would be better serviced in the FFS community and that the Appellant has anxiety with the idea of participation in the HMO system. She said that the entire array of medical providers currently treating the Appellant did not all participate in Medicaid managed care.

The Appellant testified in closing that she was delaying a heart catherization procedure owing to this appeal.

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The Department witness, testified that the Department would review another exception request if the Appellant brought such a request. She added that the Appellant's request was denied because the physician sought by the Appellant was a participating member in several health plans available to the Appellant and that her physical condition, while not insignificant, was described by her own physican as "chronic." Accordingly, her petition lacked the urgency of one afflicted with a serious medical condition undergoing active medical treatment. added that to be eligible for a medical exception the Appellant must demonstrate satisfaction of all three (3) statutory criteria: seriousness, active treatment and a non-participating physician. *Supra.*

On review, I gave the testimony of Department witness controlling weight. She clearly explained that the Appellant failed to qualify for medical exception and that appropriate treatment could be received within a MHP from the very physican she desired to control her medical treatment.

The Appellant failed to preponderate her burden of proof.

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.

Dale Malewska Administrative Law Judge for Olga Dazzo, Director Michigan Department of Community Health

CC:

Date Mailed: <u>1/26/2012</u>

*** 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.