

**STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
FOR THE DEPARTMENT OF COMMUNITY HEALTH**

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IN THE MATTER OF:

██████████,
Appellant

Docket No. 2013-35631MCE
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 appealing the Department's denial of exception from Medicaid Managed Care Program enrollment.

After due notice, a hearing was held on ██████████. The Appellant appeared without representation. He had no witnesses. ██████████, medical exception specialist, represented the Department.

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 ██████-year-old Medicaid beneficiary. (Appellant's Exhibit #1)
2. The Appellant resides in ██████████. (Appellant's Exhibit #1)
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 afflicted with atrial fibrillation, DMII – uncontrolled, hypercholesterolemia, adrenal mass, multiple thyroid nodules, CP, migraines and reactive airway disease. (Department's Exhibit A, p. 8 and See Testimony of Appellant)

5. 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)
6. On ██████████, the Michigan Department of Community Health Enrollment Services Section received a managed care exception request for review from Doctor ██████████, M.D. the Appellant's primary care provider. (Department's Exhibit A, pp. 2, 8)
7. The reporting physician (above) is a participating member in managed care plan ██████████ Healthcare of Michigan] which is available to the Appellant. (See Department's Exhibit A – throughout)
8. The information submitted by the physician while describing a serious medical condition was not considered as justification for an exception to managed care enrollment – as the PCP was a participating member of a managed care plan available to the Appellant. (Department's Exhibit A, pp. 2, 11, 12 and See Testimony)
9. On ██████████, the Appellant's request for a managed care exception was denied - he was further informed about the availability of case manager to work with him in setting up his medical care needs and the also the availability of transportation. (Department's Exhibit A, pp. 2, 3 and See Testimony)
10. On ██████████, the Appellant was sent a denial notification letter which included his managed care options and his further appeal rights. (Department's Exhibit A, pp. 2, 11, 12)
11. On ██████████, the Appellant's request for Managed Care Exception was reviewed by MSA Chief Medical Officer, Dr. ██████████, M.D., who upheld the Department's decision. (Department's Exhibit A, p. 13)
12. 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 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, April 1, 2013, 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.

If a beneficiary is enrolled in a MHP, and develops a serious medical condition after enrollment, the medical exception does not apply. The beneficiary should establish

relationships with providers within the plan network who can appropriately treat the serious medical condition.

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-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.

The Appellant seeks medical exception owing to his serious medical condition.

He argued that he was advised to request FFS Medicaid and that his medical picture is so complex and it requires expert management. He also said he is need of several specialists.

The Department's witness, ██████████ testified that enrollment in managed care in no way represents a denial or limitation of a consumer's Medicaid – as the MHPs are contractually obligated to provide identical services as supplied in the FFS system.

The MDCH Chief Medical Officer, Dr. ██████████, agreed with the Department reviewer and her conclusion.

On review, the thrust of the Appellant's argument appears to be that the services of FFS are better than those of managed care. The ALJ is not aware of any evidence, presented today, that would support the idea that medical providers involved in FFS provide superior or more varied services than those involved in managed care. The managed care providers available to the Appellant in his county – like all managed care providers servicing the Medicaid population – are required by contract with the State of Michigan to provide any medically necessary, Medicaid covered services - including specialty care.

The Appellant failed to preponderate his burden of proof.

[REDACTED]
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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 Department properly denied the Appellant's request for exception from managed care.

IT IS THEREFORE ORDERED that:

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

/s/ _____
Dale Malewska
Administrative Law Judge
for James K. Haveman, Director
Michigan Department of Community Health

[REDACTED]
cc: [REDACTED]

Date Signed: 7/1/2013

Date Mailed: 7/1/2013

***** 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.