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) 373-4147

IN THE MATTER OF:

[redacted]

Docket No. 2013-65362 PA
Case No. [redacted]0

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.

After due notice, a hearing was held on [redacted]. Appellant appeared on his own behalf. [redacted], Appeals Review Officer, represented the Department. [redacted], RN, Program Review Division, appeared as a witness for the Department.

ISSUE

Did the Department properly deny the Appellant's prior authorization request for a wearable cardioverter defibrillator?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. Appellant is a [redacted] year old Medicaid beneficiary, born [redacted]. (Exhibit A, p 9; Testimony)

2. On [redacted], the Department received a prior authorization request from the medical supply company for a wearable cardioverter defibrillator for Appellant. (Exhibit A, p 9)

3. On or about [redacted], the Department denied the prior authorization request because submitted documentation showed an [redacted] ECHO with Ejection Fraction (EF) of 36% and an EF of 50% following an [redacted] heart catheterization, which would make Appellant ineligible for the device per the medical supplier's own criteria and per current medical standards, which requires an EF of less than or equal to 35%. The submitted documentation also did not note any Ventricular

Tachycardia or Ventricular Fibrillation post myocardial infarction (MI) (Exhibit E, pp 3-4, 39-41, 45)

4. On [redacted], the Michigan Administrative Hearing System received Appellant's hearing request. (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.

The Michigan Department of Community Health (MDCH) Medicaid Provider Manual states:

> **1.5 MEDICAL NECESSITY**
>
> Medical devices 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.
>
> The medical record must contain sufficient documentation of the beneficiary's medical condition to substantiate the necessity for the type and quantity of items ordered and for the frequency of use or replacement. The information should include the beneficiary's diagnosis, medical condition, and other pertinent information including, but not limited to, duration of the condition, clinical course, prognosis, nature and extent of functional limitations, other therapeutic interventions and results, and past experience with related items. Neither a physician's order nor a certificate of medical necessity by itself provides sufficient documentation of medical necessity, even though it is signed by the treating physician. Information in the medical record must support the item's medical necessity and substantiate that the medical device needed is the most appropriate economic alternative that meets MDCH standards of coverage.
>
> Medical equipment may be determined to be medically necessary when all of the following apply:

- The service/device meets applicable federal and state laws, rules, regulations, and MDCH promulgated policies.

- It is medically appropriate and necessary to treat a specific medical diagnosis, medical condition, or functional need, and is an integral part of the nursing facility daily plan of care or is required for the community residential setting.

- The function of the service/device:

    - meets accepted medical standards;

    - practices guidelines related to type, frequency, and duration of treatment; and

    - is within scope of current medical practice.

- It is inappropriate to use a nonmedical item.

- It is the most cost effective treatment available.

- The service/device is ordered by the treating physician, and clinical documentation from the medical record supports the medical necessity for the request (as described above) and substantiates the physician's order.

- The service/device meets the standards of coverage published by MDCH.

- It meets the definition of Durable Medical Equipment (DME), as defined in the Program Overview section of this chapter.

- Its use meets FDA and manufacturer indications.

Medicaid will not authorize coverage of items because the item(s) is the most recent advancement in technology when the beneficiary's current equipment can meet the beneficiary's basic medical/functional needs.

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-fabricated DME or prosthetic/orthotic appliances, 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/DME/Prosthetics and Orthotics Database on the MDCH website.

PA will be required in the following situations:

- Services that exceed quantity/frequency limits or established fee screens.
- 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 as noted on the MDCH Medical Supplier/DME/Prosthetics and Orthotics Database.

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MDCH Medicaid Provider Manual,
Medical Supplier Section
July 1, 2013, pp 4-5, 8, 10
(Underline added by ALJ)

The Department witness testified that on [redacted], the Department received a prior authorization request from the medical supply company for a wearable cardioverter defibrillator for Appellant. The Department witness indicated that On [redacted], the Department denied the prior authorization request because submitted documentation showed an [redacted] ECHO with Ejection Fraction (EF) of 36% and an EF of 50% following an [redacted] heart catheterization, which would make Appellant ineligible for the device per the medical supplier's own criteria and per current medical standards, which requires an EF of less than or equal to 35%. The submitted documentation also did not note any Ventricular Tachycardia or Ventricular Fibrillation post myocardial infarction (MI).

Appellant testified that his doctor would not release him from the hospital until he received the cardioverter defibrillator following his heart attack, due to the likelihood of a recurrence. Appellant indicated that he believes the vest should be covered because his doctor insisted upon it.

The Medicaid Provider Manual (MPM) specifies that, "The medical record must contain sufficient documentation of the beneficiary's medical condition to substantiate the necessity for the type and quantity of items ordered and for the frequency of use or replacement." Furthermore, the MPM indicates, "Information in the medical record must support the item's medical necessity and substantiate that the medical device needed is the most appropriate economic alternative that meets MDCH standards of coverage." Finally, the MPM indicates that approved devices must "meet accepted medical standards" and be "within scope of current medical practice." Here, the prior authorization request did not meet medical necessity standards because submitted documentation showed an [redacted] ECHO with Ejection Fraction (EF) of 36% and an EF of 50% following an [redacted] heart catheterization, which would make Appellant ineligible for the device per the medical supplier's own criteria and per current medical standards, which requires an EF of less than or equal to 35%. The submitted documentation also did not note any Ventricular Tachycardia or Ventricular Fibrillation post myocardial infarction (MI), which would be required under current medical standards and medical practice. Based on the submitted documentation, the Department's determination to deny coverage for the wearable cardioverter defibrillator must be upheld.

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 a wearable cardioverter defibrillator based on the available information.

IT IS THEREFORE ORDERED that:

The Department's decision is AFFIRMED.

Robert J. Meade
Administrative Law Judge
for James K. Haveman, Director
Michigan Department of Community Health

[redacted]

cc: [redacted]

Date Signed: October 23, 2013

Date Mailed: October 23, 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.