

**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:

Docket No. 2014-12634 QHP  
Case No. [REDACTED]

[REDACTED]

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.*, following Appellant's request for a hearing.

After due notice, a hearing was held on [REDACTED]. [REDACTED], father, appeared and testified on Appellant's behalf. [REDACTED], Paralegal for [REDACTED], represented the Medicaid Health Plan (MHP). [REDACTED], Medical Director, appeared as a witness for the MHP.

**ISSUE**

Did the MHP properly deny Appellant's request for circumcision?

**FINDINGS OF FACT**

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

1. Appellant is a [REDACTED] Medicaid beneficiary, born [REDACTED]. (Exhibit A)
2. Appellant is enrolled in the Respondent MHP. (Exhibit A; Testimony)
3. On [REDACTED], Appellant's medical provider requested the MHP cover a circumcision procedure for Appellant. (Exhibit B)
4. The MHP utilizes the MCG Ambulatory Care Guidelines, 17<sup>th</sup> Edition (Guidelines) for determining the medical necessity of circumcision. (Exhibit C; Testimony)

5. On ██████████, the MHP issued a denial letter indicating the request was denied because the Guidelines for circumcision were not met. Specifically, the Guidelines require: 1) that the ██████ be older than ██████  
██████████) a failure of a 6-week course of topical steroid therapy, and 3) the presence of tight distal preputial ring. (Exhibit A; Testimony)
6. On ██████████, the Michigan Administrative Hearing System received Appellant's request for hearing. (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 received approval from the Centers for Medicare & Medicaid Services, 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. The Contractor 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 2.024.

*Section 1.022(E)(1), Covered Services.  
MDCH contract (Contract) with the Medicaid Health Plans,  
October 1, 2009.*

(1) The major components of the Contractor's utilization management (UM) program must encompass, at a minimum, the following:

- (a) Written policies with review decision criteria and procedures that conform to managed health care industry standards and processes.
- (b) A formal utilization review committee directed by the Contractor's medical director to oversee the utilization review process.
- (c) Sufficient resources to regularly review the effectiveness of the utilization review process and to make changes to the process as needed.
- (d) An annual review and reporting of utilization review activities and outcomes/interventions from the review.
- (e) The Um activities of the Contractor must be integrated with the Contractor's QAPI program.

(3) The Contractor must establish and use a written prior approval policy and procedure for UM 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 UM decisions be made by a

health care professional who has appropriate clinical expertise regarding the service under review.

*Section 1.022(AA)(1) and (2),  
Utilization Management, Contract,  
October 1, 2009.*

As stated in the Department-MHP contract language above, a MHP "must operate consistent with all applicable Medicaid Provider Manuals and publications for coverages and limitations." The pertinent sections of the Michigan Medicaid Provider Manual (MPM) state as follows:

### 1.10 PRIOR AUTHORIZATION

Medicaid requires prior authorization (PA) to cover certain services before those services are rendered to the beneficiary. The purpose of PA is to review the medical need for certain services. It does not serve as an authorization of fees or beneficiary eligibility. Different types of services requiring PA include:

- Procedures identified as requiring PA on the procedure code databases on the MDCH website;
- Procedures/items that are normally noncovered but may be medically necessary for select beneficiaries (e.g., surgery normally cosmetic in nature, obesity surgery, off-label use drugs, etc.); and
- Referrals for elective services by out-of-state nonenrolled providers.

*Medicaid Provider Manual, Practitioner  
Version Date: October 1, 2013, Page 4  
(Underline added by ALJ).*

### SECTION 12 – SURGERY - GENERAL

Medicaid covers medically necessary surgical procedures.

*Medicaid Provider Manual, Practitioner  
Version Date: October 1, 2013, Page 60  
(Underline added by ALJ).*

The MHP's Medical Director testified that circumcisions are only covered if medical necessary, which is determined by utilizing the aforementioned Guidelines. (Exhibit C) The Medical Director testified that he has reviewed all of the documentation submitted, including the Beaumont Hospital records, and he did not find medical necessity for the circumcision in Appellant's case. Specifically, the Guidelines require: 1) that the boy be older than 3 years of age, 2) a failure of a 6-week course of topical steroid therapy, and 3) the presence of tight distal preputial ring. Here, the Medical Director testified that the circumcision was denied because Appellant is not yet 3 years old and there was no evidence of a tight distal preputial ring. The Medical Director also noted that it is normal for boys to have adhesions at Appellant's age and that they will normally recede on their own by age █████. The Medical Director also noted that boys have a fat pad around the base of their penis until they reach █████ years old and that this fat pad can exacerbate

the problem. Once the fat pad goes away, the condition may remedy itself. The Medical Director indicated that since Appellant is ██████████ old, he should wait until he is at least three years old to see if the problem resolves itself on its own. The Medical Director recommended that Appellant's parents try not to clean the area so often because it is natural for the foreskin to stick to the penis at Appellant's age and they may actually be causing Appellant more pain by cleaning it so frequently.

Appellant's father testified that they initially went to see the family doctor when Appellant was ██████████ old for this problem, but the family doctor advised them to wait until Appellant was at least ██████████ before attempting any surgery. Appellant's father testified that the child cries and is obviously in discomfort when they try to clean the area. Appellant's father indicated that they use a lot of creams and ointments on the area already, but the problem persists. Appellant's father indicated that they change Appellant's diaper every hour and bathe him every night to try to keep the area clean to avoid infection.

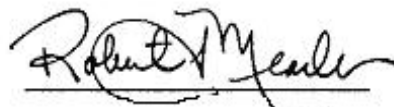
As stated in the contract language above, MHP coverages and limitations must be consistent with Medicaid policy. The Guidelines used by the MHP for considering circumcision is consistent with Medicaid policy. Those Guidelines requires that the boy be older than ██████████ of age, a failure of a 6-week course of topical steroid therapy, and the presence of tight distal preputial ring. Here, Appellant is ██████████ years old and there was no evidence of a tight distal preputial ring. Furthermore, the Medical Director advised that there is a good possibility that Appellant's condition will naturally improve over the next 9-12 months, avoiding the need for surgery altogether. If the condition does not improve in that time frame, Appellant's parents can always submit another prior authorization request.

### **DECISION AND ORDER**

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

**IT IS THEREFORE ORDERED** that:

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



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

[REDACTED]  
Docket No. 2014-12634 QHP  
Decision & Order

cc:

[REDACTED]

[REDACTED]  
Date Signed: January 23, 2014

Date Mailed: January 23, 2014

**\*\*\* 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.