

**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:**

██████████,

Appellant.

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**Docket No.** 2014-31588 PA  
**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.*, and upon Appellant's request for a hearing.

After due notice, a hearing was held on ██████████. ██████████, Appellant's father, appeared and testified on Appellant's behalf. ██████████, Appeals Review Officer, represented the Department of Community Health. ██████████, Medicaid Utilization Analyst, appeared as a witness for the Department.

**ISSUE**

Did the Department properly deny Appellant's prior authorization request for a power wheelchair and accessories?

**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 ██████████ Medicaid beneficiary who has been diagnosed with spinal muscle atrophy, NOS; myopathy, NOS; and scoliosis NEC. (Respondent's Exhibit A, pages 6, 14).
2. Since at least ██████████, Appellant has been using a power wheelchair. (Testimony of Appellant's representative).
3. On ██████████, the Department approved a prior authorization request asking for some new parts for Appellant's wheelchair. (Respondent's Exhibit A, pages 12-13).
4. On or about ██████████, the Department received a prior authorization request filed on Appellant's behalf and requesting a new power wheelchair and accessories. (Testimony of Bennani).

5. In response to that request, the Department sent a written Request for Additional Information. (Respondent's Exhibit A, pages 17-18).

6. Specifically, that request stated:

In order to process this request, the Department needs the following information:

- Documentation received indicates the beneficiary's current power wheelchair's frame is still able to be grown and can accommodate the beneficiary's documented size. Please explain why this mobility device is no longer meeting the beneficiary's needs.
- Previous documentation shows that costly repairs were recently approved for the beneficiary's current mobility device in July, 2013. Please explain why the current power wheelchair can no longer be modified/repared for a more economical option. Please note, per Medicaid/CSHCS policy, replacement of a mobility device may be considered when repairs are more costly than replacement or the item cannot be restored to a serviceable condition.
- Please provide the medical necessity of the requested tray specific to the beneficiary's needs rather than a generic definition.

*Respondent's Exhibit A, page 17*

7. On or about ██████████, Appellant's provider submitted a new prior authorization request for a power wheelchair and accessories on Appellant's behalf. (Respondent's Exhibit A, pages 19-45).

8. The documentation submitted along with that request also stated in part:

Addendum ██████████:

The wheelchair needs to be replaced due to be [sic] old and worn. The chair has met its reasonable, usable lifetime as it was provided to the patient in ██████████. The wheelchair is 7 years old and has been repaired for 2 years past that lifetime, which the manufacturer states is 5 years. We have

repaired it in the past and it will continue to need ongoing repairs because it has past [sic] it's reasonable, usable lifetime.

*Respondent's Exhibit A, page 21*

9. On ██████████, the Department sent the Appellant and Appellant's provider written notice that the prior authorization request was being denied. (Respondent's Exhibit A, pages 6-7, 9-10).

10. Specifically, that notice provided:

The policy this denial is based on is Section 1.8.C and 2.48 of the Medical Supplier chapter of the Medicaid Provider Manual.

- Per Medicaid/CSHCS policy, the replacement of a wheelchair will be considered when the cost the equipment repair is greater than replacement or the item cannot be restored to a serviceable condition. When submitting a PA request for a replacement, the provider must provide a statement regarding the cost to repair the service versus replacement. Submitted documentation does not provide the repairs needed by the current power wheelchair or explain why the mobility device cannot be returned to a safe, usable condition.

- The provider is welcome to resubmit request with an invoice detailing the cost of the repairs needed by the current wheelchair or documentation explaining why the current power wheelchair cannot be restored to a serviceable condition.

- Please refer to the Medical Supplier Chapter sections: 1.8.C-Repairs and Replacement Parts, and 2.48-Wheelchairs, Pediatric Mobility and Positioning Medical Devices and Seating Systems of the Medicaid Provider Policy Manual.

*Respondent's Exhibit A, page 7*

11. On ██████████, the Michigan Administrative Hearing System received the request for hearing filed by Appellant and her representative in this matter. (Respondent's Exhibit A, pages 4-5).

## **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.

Medicaid covered benefits are addressed for the practitioners and beneficiaries in the Medicaid Provider Manual (MPM). As stated in the MPM, "Medicaid covers the least costly alternative that meets the beneficiary's medical need for medical supplies, durable medical equipment or orthotics/prosthetics." MPM, October 1, 2013 version, Medical Supplier Chapter, page 1.

Moreover, with respect to the replacement or repair of durable medical equipment in general, the MPM states:

### **1.8.C. REPAIRS AND REPLACEMENT PARTS**

Repairs and the replacement of component parts for DME owned by the beneficiary are reimbursable if MDCH purchased the item. If MDCH did not purchase the original item, it must be medically necessary, meet the Standards of Coverage detailed in this chapter, and include the required supporting documentation.

For purchased items, all conditions of the warranty must be followed prior to requesting any repairs or replacement parts. Routine periodic servicing, such as cleaning, testing, regulating, and checking of equipment, is also included in the cost of the equipment. If equipment is found to be defective or not operating properly, it must be removed from service and cannot be placed into use again until it is brought up to manufacturer's operating standards and specifications. It is the responsibility of the provider to supply loaner equipment while the beneficiary-owned item is being serviced at no charge to MDCH. For audit purposes, all suppliers must maintain protocols and records defining how the maintenance of equipment is to be achieved.

MDCH will consider reimbursement for a replacement when it is more costly to repair than replace. When submitting a PA request for a replacement, the provider must provide a statement regarding the cost to repair the service versus replacement.

*MPM, October 1, 2013 version*

Similarly, with respect to the replacement or repair of wheelchairs specifically, the MPM states:

A wheelchair can be considered a **capped rental** or a **purchase** item.

**Repairs** for beneficiary-owned mobility devices are covered only after the manufacturer's warranty has been exhausted. It is the responsibility of the provider to supply loaner equipment while the original item is being serviced. If repair of a wheelchair not purchased by MDCH is requested, the item must be medically necessary and meet the basic standards of coverage. The repair of a second (older) manual or power wheelchair used as a back-up wheelchair is not covered. Repair of a wheelchair involving the replacement of a component part includes the cost of the part and the labor associated with its removal, replacement, and finishing.

**Replacement** of a mobility device is subject to the manufacturer's warranty and/or cost of repairs. The replacement may also be considered when a significant change in the beneficiary's condition has occurred or the item cannot be restored to a serviceable condition. Replacement of wheelchairs for youth will be evaluated on an individual basis due to the expected growth pattern. Based on these conditions, a wheelchair may be considered for replacement every five years for adults and every two years for children.

Medicaid will not authorize coverage of replacement of any DME item or accessory that is requested solely because new technology is available. Replacement or modifications must be medically necessary and required as a result of a change in the medical condition that makes the covered service unusable or contraindicated.

Here, pursuant to the above policies, the Department denied the prior authorization request for a replacement power wheelchair and accessories. As stated in the notice of denial and testified to by the Department's witness, the Department made that decision because the submitted documentation did not demonstrate that a replacement

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wheelchair would be less costly than repairing Appellant's current wheelchair or that Appellant's wheelchair could not be repaired to a safe, usable condition.

Appellant bears the burden of proving by a preponderance of the evidence that the Department erred in making that decision. In this case, Appellant and her representative have failed to meet that burden of proof.

Appellant's representative testified that Appellant's wheelchair is old and has met the five year lifetime use identified by its manufacturer. However, even if true, the mere fact that Appellant's wheelchair is old and has exceeded the five year lifetime identified by its manufacturer is insufficient to justify a new wheelchair. The above policy clearly provides that Medicaid will only cover the least costly alternative that meets the beneficiary's medical need and the Department will not pay for the replacement of a working wheelchair. Moreover, to the extent that the wheelchair is not working, the above policy also provides that the Department will only consider reimbursement for the replacement of a wheelchair when it is more costly to repair the wheelchair than to replace it.

Appellant's representative did generally testify that a new wheelchair would be cheaper than repairing Appellant's current wheelchair, but there is no specific evidence supporting that testimony in the documentation attached to the prior authorization request or admitted during the hearing itself. Instead, the documentation simply states that the current wheelchair is old and worn. There is no discussion of what repairs are needed or how much those repairs would cost.

Appellant's representative further testified that the provider can provide specific information regarding the costs replacing versus repairing Appellant's wheelchair. However, as discussed above, it is undisputed that the provider has not done so in the past, despite the Department's specific requests for such information, and this Administrative Law Judge's jurisdiction is limited to reviewing the Department's decision in light of the information it had at the time it made that decision.

To the extent Appellant has new or updated information to provide, she is free to submit a new prior authorization request for a power wheelchair and accessories. With respect to the decision at issue in this case, however, the Department's denial must be affirmed given the information available the time.

**DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds that the Department properly denied Appellant's prior authorization request for a power wheelchair and accessories.

**IT IS THEREFORE ORDERED THAT:**

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

*Steven Kibit*

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Steven Kibit  
Administrative Law Judge  
for James K. Haveman, Director  
Michigan Department of Community Health

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

[REDACTED]

cc: [REDACTED]

**\*\*\* 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.