

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. 2014-34686 NHE
Case No. ██████████

Appellant

_____ /

DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Appellant's request for a hearing.

After due notice, a hearing was held on ██████████. ██████████, Appellant's Daughter, appeared and testified on Appellant's behalf. Appellant also appeared and testified. Appellant's other witnesses were daughter ██████████, and sons ██████████ and ██████████.

██████████, LTC Program Policy Specialist, represented the Department of Community Health (Department). Her witnesses were ██████████, MPRO, RN; ██████████, MDS Nurse; ██████████, RN, Unit Manager; ██████████, Social Worker; and ██████████, Discharge Planner.

ISSUE

Did the Department properly determine that Appellant does not require a Medicaid reimbursable Nursing Facility (NF) Level of Care (LOC)?

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 an ██████-year-old Medicaid beneficiary, born ██████████, and current resident of ██████████ County Medical Care Facility. (Exhibit B; Testimony)
2. Appellant was admitted to ██████████ County Medical Care Facility on or about ██████████. (Exhibit B, Testimony)

3. On ██████████, Appellant was assessed by ██████████ County Medical Care Facility under the Nursing Facility (NF) Level of Care Determination (LOCD) and found to be eligible to receive Medicaid reimbursed NF services under Door 1 – Activities of Daily Living, because she required Limited Assistance with bed mobility and transfers. (Exhibit B, Testimony)
4. On ██████████, Appellant was again assessed under the Nursing Facility (NF) Level of Care Determination (LOCD) based on a significant change in condition and found to be ineligible to receive Medicaid reimbursed NF services. Appellant did not meet the LOCD criteria within the seven day look-back period for Doors 1, 2, 5 and 6, nor did she meet the criteria in Doors 3 and 4 within the fourteen day look-back period. The three criteria required in Door 7 were also not met. (Exhibit C; Testimony)
5. On ██████████, Appellant's daughter contacted the Michigan Peer Review Organization (MPRO) and requested a NFLOC immediate review. (Exhibit D; Testimony)
6. On ██████████, MPRO determined that Appellant did not meet the NFLOC Exception Criteria. (Exhibits D, E; Testimony)
7. On ██████████, Appellant was advised of the Department's action via Advance Action Notice. (Exhibit F; Testimony)
8. Appellant's request for hearing was received by the Michigan Administrative Hearing System (MAHS) on ██████████. (Exhibit G)

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) implemented functional/medical eligibility criteria for Medicaid nursing facilities. Federal regulations require that Medicaid pay for services only for those beneficiaries who meet specified level of care criteria.

There are five necessary components for determining eligibility for Medicaid nursing facility reimbursement:

- Verification of financial Medicaid eligibility
- PASARR Level I screening
- Physician-written order for nursing facility services

- A determination of medical/functional eligibility based upon a web-based version of the Michigan Medicaid Nursing Facility Level of Care Determination (LOCD) that was conducted online at the time the resident was either Medicaid eligible or Medicaid pending and conducted within the timeframes specified in the Michigan Medicaid Nursing Facility Level of Care Determination subsection of this chapter.
- Computer-generated Freedom of Choice (FOC) form signed and dated by the beneficiary or the beneficiary's representative.

Medicaid Provider Manual (MPM) §5 *et seq*
Nursing Facility Eligibility and [], pp. 7 - 14, January 1, 2014.

The MPM, [Nursing Facility Eligibility and Admission Section] lists the policy for admission and continued eligibility processes for Medicaid-reimbursed nursing facilities. This process includes a subsequent or additional web-based LOCD upon determination of a significant change in the beneficiary's condition as noted in provider notes or minimum data sets and that these changes may affect the beneficiary's current medical/functional eligibility status. (Emphasis supplied) See MPM 5.1.D

Section 5.1.D.1 further references the use of an online Level of Care Determination (LOCD) tool.

The LOCD is required for all Medicaid-reimbursed admissions to nursing facilities. A subsequent LOCD must be completed when there has been a significant change in condition that may affect the NF resident's current medical/functional eligibility status.

The Michigan Medicaid Nursing Facility LOC Determination's medical/functional criteria include seven domains of need:

- Activities of Daily Living,
- Cognition,
- Physician Involvement,
- Treatments and Conditions,
- Skilled Rehabilitative Therapies, Behavior, and
- Service Dependency.

Individual residents or their authorized representatives are allowed to appeal either a determination of financial ineligibility to the Department of Human Services or medical/functional eligibility to the Department of Community Health:

APPEALS – Medical/Functional Eligibility

A determination by the web-based Michigan Medicaid Nursing Facility LOC Determination that a Medicaid

financially pending or Medicaid financially eligible beneficiary is not medically/functionally eligible for nursing facility services is an adverse action. If the Medicaid financially pending or Medicaid financially eligible beneficiary or their representative disagrees with the determination, he has the right to request an administrative hearing before an administrative law judge. ... MPM, §5.2.A, NF Eligibility, page 14, April 1, 2012

An LOCD is required to be done in order to continue services in a nursing facility when there has been a significant change in the resident's condition. If the subsequent LOCD shows the resident is ineligible, the resident will be discharged from the facility. Under the LOCD, there is a look back period of 7 days for Doors 1, 2, 5, and 6 and a 14 day look back period for Doors 3 & 4. To be eligible under Door 7, the resident must have been in the facility for over 1 year, must be in need of a nursing facility level of care to maintain current functional status, and there must be no other community, residential, or informal services available to meet the applicant's needs.

The Department presented testimony and documentary evidence that Appellant did not meet any of the criteria for Doors 1 through 7. The witness from the NF completed a LOCD and determined the Appellant was not eligible for continued Medicaid covered care in their skilled nursing facility.

Door 1
Activities of Daily Living (ADLs)

Scoring Door 1: The applicant must score at least six points to qualify under Door 1.

- (A) Bed Mobility, (B) Transfers, and (C) Toilet Use:
 - Independent or Supervision = 1
 - Limited Assistance = 3
 - Extensive Assistance or Total Dependence = 4
 - Activity Did Not Occur = 8
- (D) Eating:
 - Independent or Supervision = 1
 - Limited Assistance = 2
 - Extensive Assistance or Total Dependence = 3
 - Activity Did Not Occur = 8

The NF witness reviewers determined that Appellant was independent with bed mobility and eating and required supervision with transfers and toilet use. As such, Appellant did not qualify through Door 1.

Door 2
Cognitive Performance

Scoring Door 2: The applicant must score under one of the following three options to qualify under Door 2.

1. "Severely Impaired" in Decision Making.
2. "Yes" for Memory Problem, and Decision Making is "Moderately Impaired" or "Severely Impaired."
3. "Yes" for Memory Problem, and Making Self Understood is "Sometimes Understood" or "Rarely/ Never Understood."

The NF witness reviewers determined that Appellant's short-term memory was okay, that her cognitive skills for daily decision making were independent, and that she was able to make herself understood. As such, Appellant did not qualify under Door 2.

Door 3
Physican Involvement

Scoring Door 3: The applicant must meet either of the following to qualify under Door 3:

1. At least one Physician Visit exam AND at least four Physicians Order changes in the last 14 days, OR
2. At least two Physician Visit exams AND at least two Physicians Order changes in the last 14 days.

Appellant had 1 physician visit and 1 physician order change within 14 days of the assessment. As such, Appellant did not qualify under Door 3.

Door 4
Treatments and Conditions

Scoring Door 4: The applicant must score "yes" in at least one of the nine categories above and have a continuing need to qualify under Door 4.

In order to qualify under Door 4 the applicant must receive, within 14 days of the assessment date, any of the following health treatments or demonstrated any of the following health conditions:

- A. Stage 3-4 pressure sores
- B. Intravenous or parenteral feedings
- C. Intravenous medications
- D. End-stage care
- E. Daily tracheostomy care, daily respiratory care, daily suctioning

- F. Pneumonia within the last 14 days
- G. Daily oxygen therapy
- H. Daily insulin with two order changes in last 14 days
- I. Peritoneal or hemodialysis

The NF witness reviewers determined that Appellant did not meet the criteria listed for Door 4 at the time of the assessment.

Door 5
Skilled Rehabilitation Therapies

Scoring Door 5: The Appellant must have required at least 45 minutes of active ST, OT or PT (scheduled or delivered) in the last 7-days and continues to require skilled rehabilitation therapies to qualify under Door 5.

The NF witness reviewers determined that Appellant did not meet the criteria listed for Door 5 at the time of the assessment.

Door 6
Behavior

Scoring Door 6: The applicant must score under one of the following 2 options to qualify under Door 6.

1. A "Yes" for either delusions or hallucinations within the last 7 days.
2. The applicant must have exhibited any one of the following behaviors for at least 4 of the last 7 days (including daily): Wandering, Verbally Abusive, Physically Abusive, Socially Inappropriate/Disruptive, or Resisted Care.

The NF witness reviewers determined that Appellant did not meet the criteria set forth above to qualify under Door 6 because she exhibited none of the listed behaviors.

Door 7
Service Dependency

Scoring Door 7: The applicant must be a current participant and demonstrate service dependency under Door 7.

The LOC Determination provides that the Appellant could qualify under Door 7 if he is currently (and has been a participant for at least one (1) year) being served by either the MI Choice Program, PACE program, or Medicaid reimbursed nursing facility, requires ongoing services to maintain current functional status, and no other community, residential, or informal services are available to meet the applicant's needs.

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The NF witness reviewers determined that Appellant had not been in the NF for at least one year, so she did not qualify under Door 7.

The Department's witness from MPRO also testified that Appellant did not meet the exception criteria for the NFLOC upon review.

Appellant's daughter testified that Appellant has had falls in the facility that were not documented and that Appellant was listed as needing assistance in the facility but was noted to be independent. Appellant's daughter testified that Appellant needs assistance cleaning herself after using the bathroom. Appellant's daughter indicated that there was an incident earlier in Appellant's stay at the facility where Appellant was not bathed for 6 weeks because she was lost in the system. Appellant's daughter testified that Appellant is very proud and will not ask for help. Appellant's daughter also indicated that Appellant needs social activities and cannot be left alone in her room. Appellant's daughter testified that Appellant is just beginning to become comfortable in the facility and be more social and that it would be a shame if she had to leave. Appellant's daughter testified that Appellant is very forgetful and very vulnerable to scams. Appellant's daughter testified that Appellant has over-medicated herself in the past while living with another daughter because she would forget that she had already taken her medication. Appellant's daughter testified that Appellant is very upset about being kicked out of the facility. Appellant's daughter also indicated that Appellant is now in therapy for problems with her back and shoulder.

Based on the evidence presented the Department adequately demonstrated that the Appellant did not meet LOCD eligibility on the review conducted on [REDACTED] or the immediate review completed by MPRO on [REDACTED]. This is not to say that Appellant will not need assistance when she is discharged from the facility. Appellant will still be financially eligible for Medicaid and can seek assistance through other Agencies, such as the Department of Human Services Home Help Program.

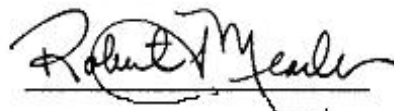
The ALJ finds that Appellant failed to prove, by a preponderance of the evidence that the Department erred in reviewing her medical/functional eligibility status. Appellant does not require Medicaid reimbursed NF level of care as demonstrated by the application of the LOCD tool.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department correctly determined that Appellant does not require a Medicaid Nursing Facility Level of Care.

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

RJM [REDACTED]

cc: [REDACTED]

Date Signed: [REDACTED]

Date Mailed: [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.