

**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. 2014-34743 PAC

██████████

██████████

██████████

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.*, and upon a request for a hearing filed on behalf of the minor Appellant.

After due notice, a hearing was held on ██████████. Appellant's father ██████████ appeared and testified on Appellant's behalf. Appellant's mother ██████████, RN, Supervisor, and ██████████, LPN, at ██████████ also testified on the Appellant's behalf. ██████████, Appeals Review Officer, represented the Department of Community Health. ██████████ Registered Nurse and Medicaid Utilization Analyst with the Program Review Division, appeared as a witness for the Department.

ISSUE

Did the Department properly reduce Appellant's private duty nursing (PDN) services?

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 (██████████) who has been diagnosed with altered respiratory state due to prematurity, bronchial pulmonary dysphagia, subglottic stenosis, and tracheostomy established ██████████. (Exhibit A, p. 11 and testimony).
2. Due to his medical conditions, Appellant had been receiving █ hours per day of PDN services, █ days a week. (Exhibit A, pp. 2, 6, 8 and testimony).

3. On or about ██████████ Appellant's provider ██████████ Care ██████████ submitted a Prior Authorization (PA) Request to the Department for a renewal of ██████████ hours per day of PDN services, ██████████ days per week. (Exhibit A, p. 8 and testimony).
4. On ██████████, the Department requested provider ██████████ ██████████ to submit a certification period for the Appellant's plan of care, a plan of care containing all required signatures, nursing notes for ██████████ day periods, showing the most recent stable period, and ██████████ showing acute episode of illness, and medical documentation for the period from ██████████ through ██████████. (Exhibit A, pp. 9-10).
5. On ██████████, the Department received the requested medical documentation from ██████████ dated ██████████ & ██████████, ██████████ dated ██████████ dated ██████████, ██████████ dated ██████████, pulmonary clinic notes from ██████████ PA-C dated ██████████ & ██████████ and nursing notes from ██████████ covering ██████████ through ██████████. (Exhibit A, pp.11-117).
6. On ██████████, the Department sent Appellant's parents written notice of a transitional reduction in PDN services effective ██████████ approving ██████████ hours per day through ██████████ hours per day from ██████████ and ██████████ hours per day from ██████████. The notice stated based on a review of the medical documentation and nursing notes submitted by ██████████ the Appellant no longer met medical criteria for ██████████ hours of PDN services. (Exhibit A, pp. 6-7).
7. On ██████████, the Michigan Administrative Hearing System (MAHS) received the request for hearing filed on behalf of the minor Appellant. (Exhibit A, pp. 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.

This case involves the reduction in Appellant's private duty nursing (PDN) services and, with respect to such services, the applicable version of the Michigan Medicaid Provider Manual (MPM) states:

SECTION 1 – GENERAL INFORMATION

This chapter applies to Independent and Agency Private Duty Nurses.

Private duty nursing (PDN) is a Medicaid benefit when provided in accordance with the policies and procedures outlined in this manual. Providers must adhere to all applicable coverage limitations, policies and procedures set forth in this manual.

PDN is covered for beneficiaries under age 21 who meet the medical criteria in this section. If the beneficiary is enrolled in or receiving case management services from one of the following programs, that program authorizes the PDN services.

- Children’s Waiver (the Community Mental Health Services Program)
- Habilitation Supports Waiver (the Community Mental Health Services Program)
- Home and Community-Based Services Waiver for the Elderly and Disabled (the MI Choice Waiver)

For a Medicaid beneficiary who is not receiving services from one of the above programs, the Program Review Division reviews the request for authorization and authorizes the services if the medical criteria and general eligibility requirements are met.

Beneficiaries who are receiving PDN services through one Medicaid program cannot seek supplemental PDN hours from another Medicaid Program (i.e., Children’s Waiver, Habilitation Supports Waiver, MI Choice Waiver).

For beneficiaries 21 and older, PDN is a waiver service that may be covered for qualifying individuals enrolled in the Habilitation Supports Waiver or MI Choice Waiver. When

PDN is provided as a waiver service, the waiver agent must be billed for the services.

1.1 DEFINITION OF PDN

Private Duty Nursing is defined as nursing services for beneficiaries who require more individual and continuous care, in contrast to part-time or intermittent care, than is available under the home health benefit. These services are provided by a registered nurse (RN), or licensed practical nurse (LPN) under the supervision of an RN, and must be ordered by the beneficiary's physician. Beneficiaries requiring PDN must demonstrate a need for continuous skilled nursing services, rather than a need for intermittent skilled nursing, personal care, and/or Home Help services. The terms "continuous" and "skilled nursing" are further defined in the Medical Criteria subsection for beneficiaries under age 21.

* * *

1.7 BENEFIT LIMITATION

The purpose of the PDN benefit is to assist the beneficiary with medical care, enabling the beneficiary to remain in their home. The benefit is not intended to supplant the caregiving responsibility of parents, guardians, or other responsible parties (e.g., foster parents). There must be a primary caregiver (i.e., parent, guardian, significant other adult) who resides with a beneficiary under the age of 18, and the caregiver must provide a monthly average of a minimum of eight hours of care during a typical 24-hour period. The calculation of the number of hours authorized per month includes eight hours or more of care that will be provided by the caregiver during a 24-hour period, which are then averaged across the hours authorized for the month. The caregiver has the flexibility to use the monthly-authorized hours as needed during the month.

The time a beneficiary is under the supervision of another entity or individual (e.g., in school, in day/child care, in work program) cannot be used to meet the eight hours of obligated care as discussed above, nor can the eight hours of care requirement for beneficiaries under age 18 be met by other public funded programs (e.g., MDCH Home Help Program) or other resources for hourly care (e.g., private health insurance, trusts, bequests, private pay). [MPM, *Private Duty Nursing*, January 1, 2014 pp. 1, 7].

Moreover, with respect to determining the amount of hours of PDN that can be approved, the MPM states:

2.4 DETERMINING INTENSITY OF CARE AND MAXIMUM AMOUNT OF PDN

As part of determining the maximum amount of PDN a beneficiary is eligible for, his Intensity of Care category must be determined. This is a clinical judgment based on the following factors:

- The beneficiary's medical condition;
- The type and frequency of needed nursing assessments, judgments and interventions; and
- The impact of delayed nursing interventions.

Equipment needs alone do not determine intensity of care. Other aspects of care (e.g., administering medications) are important when developing a plan for meeting the overall needs of the beneficiary, but do not determine the number of hours of nursing for which the beneficiary is eligible.

High Category	Medium Category	Low Category
Beneficiaries requiring nursing assessments, judgments and interventions by a licensed nurse (RN/LPN) at least one time each hour throughout a 24-hour period, when delayed nursing interventions could result in further deterioration of health status, in loss of function or death, or in acceleration of the chronic condition.	Beneficiaries requiring nursing assessments, judgments and interventions by a licensed nurse (RN/LPN) at least one time every three hours throughout a 24-hour period, or at least 1 time each hour for at least 12 hours per day, when delayed nursing interventions could result in further deterioration of health status, in loss of function or death, or in acceleration of the chronic condition. This category also includes beneficiaries with a higher need for nursing assessments and judgments due to an inability to communicate and direct their own care.	Beneficiaries requiring nursing assessments, judgments and interventions by a licensed nurse (RN/LPN) at least one time every three hours for at least 12 hours per day, as well as those beneficiaries who can participate in and direct their own care

Medicaid uses the "Decision Guide for Establishing Maximum Amount of Private Duty Nursing to be Authorized on a Daily Basis" (below) to establish the amount of PDN that is approved. The Decision Guide is used to determine the appropriate range of nursing hours that can be authorized under the Medicaid PDN benefit and defines the "benefit limitation" for individual beneficiaries. The Decision Guide is used by the authorizing entity after it has determined the beneficiary meets both general eligibility requirements and medical criteria as stated above. The amount of PDN (i.e., the number of hours) that can be authorized for a beneficiary is based on several factors, including the beneficiary's care needs which establish medical necessity for PDN, the beneficiary's and

family's circumstances, and other resources for daily care (e.g., private health insurance, trusts, bequests, private pay). To illustrate, the number of hours covered by private health insurance is subtracted from the hours approved under Medicaid PDN. These factors are incorporated into the Decision Guide. The higher number in the range is considered the maximum number of hours that can be authorized. Except in emergency circumstances, Medicaid does not approve more than the maximum hours indicated in the guide.

Only those factors that influence the maximum number of hours that can be authorized are included on this decision matrix. Other factors (e.g., additional dependent children, additional children with special needs, and required nighttime interventions) that impact the caregiver's availability to provide care should be identified during an assessment of service needs. These factors have implications for service planning and should be considered when determining the actual number of hours (within the range) to authorize.

FAMILY SITUATION/ RESOURCE CONSIDERATIONS		INTENSITY OF CARE		
		Average Number of Hours Per Day		
		LOW	MEDIUM	HIGH
Factor I – Availability of Caregivers Living in the Home	2 or more caregivers; both work or are in school F/T or P/T	4-8	6-12	10-16
	2 or more caregivers; 1 works or is in school F/T or P/T	4-6	4-10	10-14
	2 or more caregivers; neither works or is in school at least P/T	1-4	4-8	6-12
	1 caregiver; works or is in school F/T or P/T	6-12	6-12	10-16
	1 caregiver; does not work or is not a student	1-4	6-10	8-14
Factor II – Health Status of Caregiver(s)	Significant health issues	Add 2 hours if Factor I <= 8	Add 2 hours if Factor I <= 12	Add 2 hours if Factor I <= 14
	Some health issues	Add 1 hour if Factor I <= 7	Add 1 hour if Factor I <= 9	Add 1 hour if Factor I <= 13
Factor III – School *	Beneficiary attends school 25 or more hours per week, on average	Maximum of 6 hours per day	Maximum of 8 hours per day	Maximum of 12 hours per day
<p>* Factor III limits the maximum number of hours which can be authorized for a beneficiary:</p> <ul style="list-style-type: none"> ▪ Of any age in a center-based school program for more than 25 hours per week; or ▪ Age six and older for whom there is no medical justification for a homebound school program. <p>In both cases, the lesser of the maximum "allowable" for Factors I and II, or the maximum specified for Factor III, applies.</p>				

[MPM, *Private Duty Nursing*, § 2.4, April 1, 2014 pp. 11-12].

2.6 CHANGE IN BENEFICIARY'S CONDITION/PDN AS A TRANSITIONAL BENEFIT

Medicaid policy requires that the integrated plan of care (POC) be updated as necessary based on the beneficiary's medical needs. Additionally,

when a beneficiary's condition changes, warranting a decrease in the number of approved hours or a discontinuation of services, the provider must report the change to the appropriate authorizing agent (i.e., the Program Review Division, Children's Waiver, or Habilitation Supports Waiver) in writing. Changes such as weaning from a ventilator or tracheostomy decannulation can occur after months or years of services, or a beneficiary's condition may stabilize to the point of requiring fewer PDN hours or the discontinuation of hours altogether. It is important that the provider report all changes resulting in a decrease in the number of hours to the authorizing agent as soon as they occur, as well as properly updating the POC. MDCH will seek recovery of monies inappropriately paid to the provider if, during case review, the authorizing agent determines that a beneficiary required fewer PDN hours than was provided and MDCH was not notified of the change in condition.

In some cases, the authorized PDN services may be considered a transitional benefit. In cases such as this, one of the primary reasons for providing services should be to assist the family or caregiver(s) to become independent in the care of the beneficiary. The provider, in collaboration with the family or caregiver(s), may decide that the authorized number of hours should be decreased gradually to accommodate increased independence on the part of the family, caregiver(s), and/or beneficiary. A detailed exit plan with instructions relating to the decrease in hours and possible discontinuation of care should be documented in the POC. The provider must notify the authorizing agent that hours are being decreased and/or when the care will be discontinued. [*MPM, Private Duty Nursing*, § 2.6, April 1, 2014 p. 15].

Here, it is undisputed that the Appellant needs some PDN and it is only the amount of hours authorized that is at issue. As discussed above, Appellant was receiving PDN services █ hours per day, █ days a week and the Department has decided to have a transitional reduction of PDN services effective █ approving █ hours per day through █ hours per day from █ and █ hours per day from █. The notice stated the Appellant no longer met medical criteria for █ hours of PDN services.

Appellant and his representatives bear the burden of proving by a preponderance of the evidence that the Department erred in deciding to reduce her PDN services.

For the reasons discussed below, this Administrative Law Judge finds that Appellant has not met that burden of proof. In this case, █ testified as to how the █ hours were determined based on the above Decision Guide given his medium intensity of care category and the family situation/resource considerations.

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██████████ stated she received the PA request submitted in this case and reviewed the medical documentation submitted in support of the PA request. ██████████ said

she found the Appellant to be in the Medium classification for Intensity of Care, and considering the fact that there are █ caregivers in the home, the Appellant's father and mother, one who works outside of the home (the mother), Appellant should receive a somewhere between █ to █ hours per day of PDN. ██████████ stated she reviewed the medical documentation submitted in support of the PA request and found that the Appellant could have been rated as being in the Low Intensity of Care category which would have resulted in a maximum of █ hours per day of PDN, but she still rated him in the Medium category due to his young age. ██████████ concluded in her professional opinion that the Appellant's services should be stepped down to █ hours of PDN per day.

██████████ specifically reviewed medical documentation from ██████████ dated ██████████ & ██████████ r dated ██████████ dated ██████████ dated 1 ██████████ pulmonary clinic notes from ██████████ PA-C dated ██████████ & ██████████, and nursing notes from ██████████ covering ██████████ through ██████████. ██████████ noted the Appellant's last hospitalization was in ██████████ for a tonsillectomy, and adenoidectomy, and a tracheotomy tube change. She noted the Appellant vitals showed oxygen levels between ██████████ and ██████████ indicating he was not required to be on oxygen. ██████████ referenced the physician's reports submitted in support of the PA request and stated in general that the doctor's reports indicated the Appellant was doing quite well and required no emergency medical treatment during the time period from ██████████ through ██████████. ██████████ stated she also reviewed the nursing notes submitted and found that the Appellant required very little suctioning during the period of time covered by the notes. ██████████ supported her testimony concerning the frequency of suctioning with several specific references to the nursing notes.

██████████ also referenced the policy quoted above from the Medicaid Provider Manual in Section 2.6 of the Private Duty Nursing chapter. ██████████ stated the PDN is a transitional benefit in cases such as this one to help the parents become independent in the beneficiary's care until they age out of the program at age 21. ██████████ stated PDN providers need to develop exit plans to gradually reduce services to allow families to become independent in the beneficiary's care because PDN is not a forever benefit.

In response, Appellant's father testified his son has gotten better thanks to the nursing care he has been receiving. Appellant's father admitted he was trained when his son came home from the hospital and he does suction his son once in a while. The father said he has to take his son to the doctor a number of times every month. He said he does not want to get the nursing care forever, just another year or so until his son no longer has a tracheotomy. The father said he believes a reduction in nursing care will cause a setback in the Appellant's condition. Appellant's mother indicated they were

trained at the hospital to care for the Appellant. She said her son needs to be constantly monitored. She further stated she works, and has a █ year old daughter to care for. The Appellant's mother said her son needs to be suctioned and they rely on the nurses to care for their son when they are not able to do so.

██████████, RN, Supervisor at ██████████ and ██████████ LPN, Appellant's primary care nurse also testified for the Appellant. ██████████ provided a list of skilled nursing interventions that were being provided for the Appellant, but acknowledged that they did not fit the criteria set forth in the Medicaid Provider Manual. She also acknowledged that many of the interventions listed did not require a nurse, that anyone could complete a number of the listed interventions. ██████████ stated that the Appellant does need oxygen at night, but she also pointed out that the Appellant's mother has the nighttime shift to provide this care. ██████████ also stated she is not at the Appellant's residence during the nursing shifts. ██████████ testified she did not agree with some of ██████████ testimony. She believed the Appellant was suctioned more often than ██████████ seemed to indicate. She also questioned some of the statements ██████████ quoted from the doctor's reports submitted in support of the PA request. ██████████ stated she works all of the shifts, and works █ hour shifts and knows that some of the information was not accurate. It must be noted, however, that none of ██████████ nursing notes were provided as part of the documentation submitted in support of the PA request. Accordingly, ██████████ experience in caring for the Appellant was not available to ██████████ at the time she made her decision to reduce the Appellant's PDN services.

Based upon the medical documentation submitted with the PA request, the Department properly determined that the Appellant fell into the Medium Intensity of Care category, and based upon the fact that there are █ caregivers in the home, the Appellant's father and mother, one who works outside of the home (the mother), Appellant should receive a somewhere between █ to █ hours per day of PDN. ██████████ stated she reviewed the medical documentation submitted in support of the PA request and found that the Appellant could have been rated as being in the Low Intensity of Care category which would have resulted in a maximum of █ hours per day of PDN, but she still rated him in the Medium category due to his young age. ██████████ properly concluded in her professional opinion that the Appellant's services should be stepped down to █ hours of PDN per day. According to the information submitted to support the PA request received on ██████████ the Department's notice of a reduction in services issued on ██████████ should be affirmed.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department properly reduced Appellant's private duty nursing services based on the medical records submitted in support of the Appellant's PA request.

[REDACTED]
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IT IS THEREFORE ORDERED THAT:

Respondent's decision is **AFFIRMED**.

William D Bond

William D. Bond
Administrative Law Judge
for James K. Haveman, Director
Michigan Department of Community Health

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

WDB/db

cc: [REDACTED]

***** NOTICE *****

The Michigan Administrative Hearing System for the Department of Community Health 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 for the Department of Community Health 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.