

**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. 2014-6631 QHP

████████████████████

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 ██████████. The Appellant was represented by his father ██████████. ██████████ Appeals Coordinator, represented the Medicaid Health Plan (MHP), ██████████. ██████████ Medical Director appeared as a witness for the MPH.

**ISSUE**

Did the MHP properly deny the Appellant's request for speech therapy 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. The Appellant is a █-year-old (██████████) Medicaid beneficiary. (Testimony).
2. On or about ██████████ the MHP received a request for speech therapy services for the Appellant. (Exhibit A, pp. 3-10 and testimony).
3. The Appellant is diagnosed with global developmental delay, and mixed receptive-expressive language delay. (Exhibit A, pp. 4, 5, 9 and testimony).
4. On ██████████, the MHP sent the Appellant, her doctor and the speech therapy provider notice that the request for speech therapy services for the Appellant was denied because it is not a covered benefit under the MHP. The notice states that speech therapy to treat delays in

**Docket No. 2014-6631 QHP  
Decision and Order**

speech development is not covered. Additionally the Medicaid provider Manual states that outpatient speech therapy is not covered by an MHP when required to be provided by school-based services or to meet developmental milestones. (Exhibits A, pp. 11-12 and testimony).

5. The policy in the Michigan Department of Community Health Medicaid Provider Manual says habilitative treatment is not a covered service, meaning teaching someone how to do something for the first time. The Appellant would receive speech therapy for speech delay, to teach him communication skills for the first time. The Michigan Department of Community Health Medicaid Provider Manual policy also says educational speech therapy is expected to be provided by the school system. (Testimony).
6. On [REDACTED], the Michigan Administrative Hearing System received the Request for Hearing submitted on the Appellant's behalf.

**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 Respondent is one of those MHPs.

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.*

**Docket No. 2014-6631 QHP  
Decision and Order**

1. The major components of the Contractor's utilization management (UM) program must encompass, at a minimum, the following:
  - Written policies with review decision criteria and procedures that conform to managed health care industry standards and processes.
  - A formal utilization review committee directed by the Contractor's medical director to oversee the utilization review process.
  - Sufficient resources to regularly review the effectiveness of the utilization review process and to make changes to the process as needed.
  - An annual review and reporting of utilization review activities and outcomes/interventions from the review.
  - The UM activities of the Contractor must be integrated with the Contractor's QAPI program.
  
2. Prior Approval Policy and Procedure

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), Utilization Management,  
MDCH contract (Contract) with the Medicaid Health Plans,  
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 are as follows:

### **5.3 SPEECH THERAPY**

The terms speech therapy, speech-language pathology, speech-language therapy, and therapy are used to mean speech and language rehabilitation services and speech-language therapy.

MDCH covers speech-language therapy provided in the outpatient setting. MDCH only reimburses services for speech-language therapy when provided by:

- A speech-language pathologist (SLP) with a current Certificate of Clinical Competence (CCC).
- An appropriately supervised SLP candidate (i.e., in their clinical fellowship year [CFY]) or having completed all requirements but has not obtained a CCC. All documentation must be reviewed and signed by the appropriately credentialed supervising SLP.
- A student completing his clinical affiliation under direct supervision of (i.e., in the presence of) an SLP having a current CCC. All documentation must be reviewed and signed by the appropriately credentialed supervising SLP.

MDCH expects that all SLPs will utilize the most ethically appropriate therapy within their scope of practice as defined by Michigan law and/or the appropriate national professional association.

**For all beneficiaries of all ages**, speech therapy must relate to a medical diagnosis, and is limited to services for:

- Articulation
- Language
- Rhythm
- Swallowing
- Training in the use of an speech-generating device
- Training in the use of an oral-pharyngeal prosthesis
- Voice

**Docket No. 2014-6631 QHP**  
**Decision and Order**

**For CSHCS beneficiaries** (i.e., those not enrolled in Medicaid; only enrolled with CSHCS), therapy must be directly related to the CSHCS-eligible diagnosis(es) and prescribed by the specialty physician who is overseeing the care of the beneficiary.

Therapy must be reasonable, medically necessary and expected to result in an improvement and/or elimination of the stated problem within a reasonable amount of time (i.e., when treatment is due to a recent change in medical or functional status affecting speech, and the beneficiary would experience a reduction in medical or functional status without therapy).

Speech therapy services must be skilled (i.e., require the skills, knowledge and education of a certified SLP to assess the beneficiary for deficits, develop a treatment program and provide therapy). Interventions that could be provided by another practitioner (e.g., teacher, registered nurse [RN], licensed physical therapist [LPT], registered occupational therapist [OTR], family member, or caregiver) would not be reimbursed as speech therapy by MDCH.

For beneficiaries of all ages, therapy is **not** covered:

- When provided by an independent SLP.
- For educational, vocational, social/emotional, or recreational purposes.
- If services are required to be provided by another public agency (e.g., PIHP/CMHSP provider, SBS).
- When intended to improve communication skills beyond premorbid levels (e.g., beyond the functional communication status prior to the onset of a new diagnosis or change in medical status).
- If it requires PA but is rendered before PA is approved.
- If it is habilitative. Habilitative treatment includes teaching someone communication skills for the first time without compensatory techniques or processes. This may include syntax or semantics (which are developmental) or articulation errors that are within the normal developmental process.
- If it is designed to facilitate the normal progression of development without compensatory techniques or processes.

██████████  
**Docket No. 2014-6631 QHP**  
**Decision and Order**

- If continuation is maintenance in nature.
- If provided to meet developmental milestones.
- If Medicare does not consider the service medically necessary. [Emphasis Added].

\* \* \*

### **5.3.B. SERVICES TO SCHOOL-AGED BENEFICIARIES**

School-aged beneficiaries may be eligible to receive speech-language therapy through multiple sources. Educational speech is expected to be provided by the school system and is not covered by MDCH or CSHCS. Examples of educational speech include enhancing vocabulary, improving sentence structure, improving reading, increasing attention span, and identifying colors and numbers. Only medically necessary therapy may be provided in the outpatient setting. Coordination between all speech therapy providers should be continuous to ensure a smooth transition between sources.

Outpatient therapy provided to school-aged children during the summer months in order to maintain the therapy services provided in the school are considered a continuation of therapy services when there is no change in beneficiary diagnosis or function. Prior authorization is required before initiating a continuation of therapy.

If a school-aged beneficiary receives medically necessary therapy services in both a school setting (as part of an Individualized Education Plan [IEP]) and in an outpatient setting, coordination of therapy between the providers is required. Providers are to maintain documentation of coordination in the beneficiary's file. [*Medicaid Provider Manual, Outpatient Therapy Section, October 1, 2013, pp. 18-20.* Emphasis Added].

██████████ testified for the MPH that the speech therapy requested for the Appellant is not a covered service through the MPH. He stated the Appellant has a developmental delay resulting in a speech and language disorder. ██████████ stated the requested therapy is not covered since under the Medicaid Provider Manual. He stated speech therapy is not a covered service for a ██████ year old with a developmental delay, and because such therapy is available through the school system. ██████████ emphasized that the school system is given Medicaid funds and they are required to provide these services, whereas a Medicaid Health Plan is not provided with Medicaid funds to cover these services. ██████████ stated that the Medicaid Provider Manual quoted above

████████████████████  
**Docket No. 2014-6631 QHP**  
**Decision and Order**

makes it clear that the requested speech therapy is not covered by the MPH as the school system is required to provide the service. In short, Medicaid does not allow for coverage of speech therapy services that are habilitative or developmental, (i.e. learning a skill for the first time); such services are to be provided by the beneficiary's school system.

The Appellant's father testified he just wants his son to get the treatment he needs. Appellant's father stated he was just following the recommendations of the doctor's at ██████████, and he wants the recommended speech therapy to be provided now. He believes it would be more cost effective to provide the needed treatment now rather than later. Appellant's father indicated the school system was only providing speech therapy in a group setting and that was not sufficient to meet the Appellant's needs.

██████████ responded that the school system is required by law to provide this therapy, and group therapy is not adequate therapy. ██████████ stated he agreed with the diagnosis and the recommended treatment given by the ██████████ doctors. ██████████ stated the Appellant's father should take the doctor's report to the school system, and the school system should see to it that the Appellant receives speech therapy at least once a week on an individualized basis.

The Appellant is ██████ year old and he is diagnosed with global developmental delay, and mixed receptive-expressive language delay. This ALJ finds, however, under the contract provisions the MHP is only required to provide services consistent with all applicable Medicaid Provider Manuals and publications for coverages and limitations. While this ALJ sympathizes with the Appellant's circumstances, Medicaid policy clearly states that speech therapy that is habilitative, developmental, or required to be provided by another public agency is not covered. Based upon available evidence, the requested therapy services are habilitative and developmental. It further appears that the Appellant is eligible to receive speech therapy services through the school district. Accordingly, the MHP denial was consistent with the Medicaid policy and must be upheld.

**DECISION AND ORDER**

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

[REDACTED]  
Docket No. 2014-6631 QHP  
Decision and Order

IT IS THEREFORE ORDERED that:

The Medicaid Health Plan'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 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.