

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
P.O. Box 30763, Lansing, MI 48909
(877) 833-0870; Fax: (517) 373-4147

IN THE MATTER OF:

██████████

Appellant

_____ /

Docket No. 15-000694 TRN

██████████

██████████

DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge (ALJ) pursuant to MCL 400.9 and 42 CFR 431.200 *et seq.*, upon Appellant's request for a hearing.

After due notice, a hearing¹ commenced on ██████████ Attorney, appeared on Appellant's behalf. ██████████ Appellant appeared and testified. ██████████ Assistant Attorney General, ██████████, Assistant Attorney General, represented the Department. ██████████, Eligibility Specialist, and ██████████ ██████████, Assistance Payments Supervisor, and ██████████ Departmental Analyst, appeared as witnesses for the Department.

The hearing record was left open for ██████ days to allow the Department the opportunity to respond to Respondent's Written Argument in Support of Claimant's Request for Application of Out-Of-Pocket Medical Transportation Expense to Food Assistance Program Budget. The Department's Response to Petitioner's Written Argument was received on ██████████

ISSUE

Did the Department properly process Appellant's request for out of pocket medical transportation expense reimbursement?

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 ██████████, hearing request also raised issues regarding the Food Assistance Program (FAP), for which a separate hearing was scheduled under Docket Number ██████████. Appellant filed an additional hearing request on ██████████, contesting medical transportation issues, for which a separate hearing was scheduled under Docket Number ██████████. All ██████████ hearings were held on ██████████, and the parties agreed to incorporate the records by reference as some of the FAP and medical transportation issues are interrelated.

1. Appellant is Medicaid beneficiary.
2. Per previous Decisions and Orders, Appellant is entitled to medical transportation, including some out of area providers, by a non-smoking female driver, in a non-smoking vehicle. (Claimant Exhibits B and C)
3. The Department has not always been able to provide requested medical transportation for Appellant. (Testimony)
4. Appellant incurred out-of-pocket medical transportation expenses between ██████████ and ██████████ (Claimant Exhibit A)
5. On ██████████, Appellant requested reimbursement and submitted documentation of the out-of-pocket medical transportation expenses to the Department. (Department Exhibits 15-18, pp. 32-35, Testimony)
6. There was no evidence that the Department processed Appellant's requests for reimbursement of the out-of-pocket medical transportation expenses.
7. On D ██████████ ██████████ 4, Appellant's Request for Hearing was received by the Michigan Administrative Hearing System. (Department Exhibit 1, p. 4)

CONCLUSIONS OF LAW

The Medicaid program was established pursuant to Title XIX of the Social Security Act (SSA) and is implemented by 42 USC 1396 *et seq.*, and Title 42 of the Code of Federal Regulations (42 CFR 430 *et seq.*). The program is administered in accordance with state statute, the Social Welfare Act (MCL 400.1 *et seq.*), various portions of Michigan's Administrative Code (1979 AC, R 400.1101 *et seq.*), and the State Plan promulgated pursuant to Title XIX of the SSA.

Policy addressing medical transportation coverage under the State Medicaid Plan is found in the Bridges Administrative Manual (BAM), 825 Medical Transportation:

COVERED MEDICAL TRANSPORTATION

Medical transportation is available to obtain medical evidence or receive any MA-covered service from any MA-enrolled provider, including:

- Chronic and ongoing treatment.
- Prescriptions.
- Medical Supplies,
- Onetime, occasional and ongoing visits for medical care.

Exception:

Payment may be made for transportation to U.S. Department of Veteran Affairs hospitals and hospitals which do not charge for care.

MEDICAL TRANSPORTATION NOT COVERED

Do not authorize payment for the following:

- Transportation for noncovered services (for example a 12 step program, medically unsupervised weight reduction, trips to pharmacies for reasons other than obtaining MA-covered items).
- Reimbursement for transportation for episodic medical services and pharmacy visits that has already been provided.
- Transportation costs for long-term care (LTC) residents. LTC facilities are expected to provide transportation for services outside their facilities.
- Transportation costs to meet a client's personal choice of provider for routine medical care outside the community when comparable care is available locally. Encourage clients to obtain medical care in their own community unless referred elsewhere by their local physician.
- Transportation services that are billed directly to MA; see **BILLED DIRECTLY TO DCH**.
- MDCH authorized transportation for clients enrolled in managed care is limited; see **CLIENTS IN MANAGED CARE** in this item.

Medicaid Exception: For MA clients enrolled in managed care, medical transportation related to dental, substance abuse, and/or community mental health services program (CMHSP) is the responsibility of the county DHS office and not the managed care plan.

Healthy Michigan Plan Exception: For HMP clients enrolled in managed care, medical transportation related to substance abuse or CMHSP services is the responsibility of the county DHS office and not the managed care plan. **Transportation to dental services for HMP clients enrolled in managed care is the responsibility of the managed care plan.**

* * * *

Transportation Coordination

It is recommended that local/district offices institute a transportation coordinator to ensure that all necessary tasks are done. This position would be responsible for establishing local procedures to assure the following:

- All requests for medical transportation are assessed and processed according to policy and local office procedures.
- Verification of current or pending MA eligibility on Bridges is available.
- The DHS-54-A, Medical Needs, is given to eligible clients when required.
- Each client's need for transportation and access to resources is appropriately assessed.
- Maximum use is made of existing community transportation resources.

Note: Many transportation authorities will make tickets/passes available at special rates. The transportation coordinator is encouraged to negotiate with the local transit authority and develop administrative procedures for distribution to recipients.

In some areas it may be cost effective for local offices to con-tract with local transit providers for all or part of transportation services in the local office, such as Agencies on Aging, Intermediate School Districts, and local CMHSP.

- Alternative transportation means are explored.
- New resources are developed within the community, including the use of social contract participants to act as schedulers, providers or in other supportive roles related to the transportation activities of the local office.
- The MDCH is contacted for any required prior authorizations.
- Sufficient MSA-4674s, Medical Transportation Statements, are given to eligible clients.
- A centralized process for returning completed MSA-4674s is developed and implemented.
- The amount of reimbursement is correct, authorization for payment is completed and forwarded to the fiscal unit, and payment is processed in a timely manner.
- A local office liaison exists for resolving transportation payment disputes.

* * * *

REIMBURSABLE EXPENSES

Compute the cost of the client's medical transportation when you receive verification that transportation has been provided.

* * * *

DENIAL OF REIMBURSEMENT FOR TRANSPORTATION

Use a DHS-301, Client Notice (Medical Transportation Denial), to notify a client that medical transportation is denied. The notice contains:

- The action being taken.
- The reason(s) for the denial.
- BAM 825 as the legal base.
- The individual's right to request a hearing.

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As noted in prior hearing decisions, policy requires that the Department provide medical transportation to Appellant. Per previous Decisions and Orders of this Tribunal, medical transportation for Appellant means transportation by a non-smoking female in a non-smoking vehicle. However, the Department has not always been able to provide requested medical transportation for Appellant. In part, the testimony indicated there have been issues with the availability of volunteer drivers and the availability of drivers willing to accept the standard mileage rates allowed by Department policy. Additionally, the local office sought a prior authorization approval from the Department Central Office to allow a higher reimbursement rate, which was approved for medical transportation to certain cities on [REDACTED]. Accordingly, there have been times that Appellant incurred out-of-pocket medical transportation expenses.

At issue for this appeal, Appellant incurred out-of-pocket medical transportation expenses between [REDACTED] and [REDACTED]. On [REDACTED], Appellant requested reimbursement and submitted documentation of the out-of-pocket Medical Transportation expenses to the Department. Appellant explained that she was previously instructed to submit expenses only [REDACTED] per year at the time of Redetermination for her Food Assistance Program (FAP) case. Further, during the time frame Appellant incurred these out-of-pocket medical transportation expenses, she had two Administrative Hearings addressing whether the Department was responsible for providing her medical transportation.

There was no evidence that the Department processed Appellant's requests for reimbursement of the out-of-pocket medical transportation expenses submitted on [REDACTED]. For example, there was no evidence establishing that the Department told the Appellant that any additional forms that are required or provided her with any additional forms needed to process the reimbursement requests, such as the MSA-4674 Medical Transportation Statement. Further, there was no evidence that any reimbursement requests were approved, or that a DHS-301, Client Notice (Medical Transportation Denial) was issued for any denied reimbursement requests.

The fact that the Department did not send out written notice of a determination does not establish that the hearing request should be dismissed because no denial has occurred. Regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in Mich Admin Code, R 400.901 through R 400.951. Rule 400.903(1) provides as follows:

An opportunity for a hearing shall be granted to an applicant who requests a hearing because [a] claim for assistance is denied or is not acted upon with reasonable promptness, and to any recipient who is aggrieved by a Department action resulting in suspension, reduction, discontinuance, or termination of assistance.

Therefore, as discussed during the hearing proceedings, the Department's request for a dismissal of this case was denied.

Based on the evidence presented, the Department has failed to establish that the Appellant's ██████████, requests for out of pocket medical transportation expense reimbursement were processed in accordance with Department policy. Therefore, the Department must process Appellant's ██████████, requests for medical transportation expense reimbursement, to include allowing Appellant a reasonable opportunity to provide any needed form(s) or verification(s), and issue Appellant written notice of the determination(s).

DECISION AND ORDER

This Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department improperly failed to process Appellant's ██████████, ██████████, requests for medical transportation expense reimbursement.

IT IS THEREFORE ORDERED that:

The Department's decision is REVERSED. The Department shall process Appellant's ██████████, request for medical transportation expense reimbursement, to include allowing Appellant a reasonable opportunity to provide any needed form(s) or verification(s), and issue Appellant written notice of the determination(s) in accordance with Department policy.

Colleen Lack

Colleen Lack
Administrative Law Judge
for Nick Lyon, Director
Michigan Department Health and Human
Services

Date Signed: ██████████

Date Mailed : ██████████

CL/db

cc: ██████████
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***** 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.