

**STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES**

P.O. Box 30763, Lansing, MI 48909
(517) 335-2484; Fax: (517) 373-4147

IN THE MATTER OF:

Docket No. 15-006875 TRN

██████████

██████████

██████████

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 the Appellant's request for a hearing.

After due notice, a hearing was held on ██████████. Appellant appeared and testified on her own behalf. ██████████, Appeals Review Officer, represented the Department of Health and Human Services (DHHS or Department). ██████████, Hearings Facilitator, testified as a witness for the Department.

ISSUE

Did the Department properly deny Appellant's requests for medical transportation mileage 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. Appellant is a Medicaid beneficiary. (Undisputed Testimony).
2. Since ██████████ Appellant has submitted numerous MSA-4674 Medical Transportation Statements seeking medical transportation mileage reimbursement. (Undisputed Testimony).
3. The Department processed and reimbursed for portions of the identified mileage for many of those trips. (Exhibit A, pages 9-45).
4. Appellant did not receive reimbursement for all of the mileage identified in those requests because Appellant's driver was not a ██████████ ██████████ and, per policy, only Volunteer Services drivers can be paid mileage

for the distance from their home or office to the client's home and the return trip from the client's home in addition to the round trip mileage for the client's medical services. (Exhibit A, page 5; Testimony of ██████████).

5. Other Medical Transportation Statements submitted by Appellant were either denied or not processed. (Undisputed Testimony).
6. The only written notice sent to Appellant regarding denials of her requests for reimbursement were ██████ "Quick Notes". (Exhibit A, pages 6-7; Testimony of ██████████)
7. One Quick Note was dated ████████████████████ and it stated that the Department needed Medical Needs forms for each doctor that Appellant was seeing before it could make any payment. (Exhibit A, page 6).
8. The other Quick Note was dated ████████████████████ and it stated that the Medical Transportation Statement was returned because there were more than ██████ month of appointments listed on the statement and Appellant must submit a separate statement for each month to get reimbursed. (Exhibit A, page 7).
9. On ████████████████████, the Michigan Administrative Hearing System (MAHS) received the request for hearing in this matter. (Exhibit A, page 4).
10. The request for administrative hearing was hand-written on the ████████████████████ Quick Note and, in the request, Appellant asserted that her requests for reimbursement had been improperly denied and that, despite numerous requests, she never received written notice as to the reasons and legal basis for the denials. (Exhibit A, page 4).

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.

Medical transportation is a Medicaid covered service and the applicable Department policy governing medical transportation coverage in this case is found in Bridges Administrative Manual 825 (1-1-2015) (hereinafter "BAM 825"). That policy states in part:

Each Michigan Department of Human Services (MDHS) office must furnish information in writing and orally, as appropriate, to all applicants and to all other individuals who

request it acknowledging that medical transportation is **ensured** for transportation to and from medical services providers for Medicaid (MA) covered services. Michigan Department of Community Health (MDCH) Publication 669, Medicaid Handbook Fee-for-Service, may be used to provide written information.

It is important that DHS staff verify client eligibility prior to the authorization of transportation in order to determine who is responsible for payment.

Payment for medical transportation may be authorized only after it has been determined that it is not otherwise available, and then for the least expensive available means suitable to the client's needs.

* * *

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 a client 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.**

MEDICAL TRANSPORTATION EVALUATION

Evaluate a client's request for medical transportation to maximize use of existing community resources.

- If a client has resources available to provide transportation without reimbursement-either by their own means or via family or friends-they are expected to do so. DHS staff is encouraged to explore whether such arrangements exist before authorizing transportation. However, if the client informs the DHS worker that transportation resources are not available, or that providing transportation without reimbursement is a financial hardship, transportation should be approved

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regardless of whether or not the service has been provided without reimbursement in the past. .

- Do not routinely authorize payment for medical transportation. Explore why transportation is needed and all alternatives to payment.
- Do not authorize payment for medical transportation unless first requested by the client.
- Use referrals to public or nonprofit agencies who provide transportation to meet individual needs without reimbursement.
- If available, utilize free delivery services that are offered by a recipient's pharmacy.
- Use bus tickets or provide for other public transit arrangements.
- Refer to volunteer services or use state vehicles to transport the client if payment for a personal vehicle is not feasible.

BAM 825, pages 1-4 of 21

Here, Appellant has submitted numerous MSA-4674 Medical Transportation Statements seeking medical transportation mileage reimbursement and it appears the requests were either partially or fully denied.

Appellant now bears the burden of proving by a preponderance of the evidence that the Department erred.

With respect to the partial payments, the Department's witness testified that not all of the mileage was reimbursed because Appellant's driver was not a ██████████ ██████████ and, per policy, only ██████████ can be paid mileage for the distance from their home or office to the client's home and the return trip from the client's home in addition to the round trip mileage for the client's medical services.

In response, Appellant testified that she was informed by her worker that all of the mileage would be reimbursed. Appellant also testified that the difference between regular drivers and ██████████ was never explained to her.

Regarding reimbursable expense, BAM 825 states:

REIMBURSABLE EXPENSES

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

Calculate the total number of round trip miles traveled. Use the distance from the client's home to the medical services destination(s) and back to the client's home. Accept any reasonable client or transporter statement of the mileage. Otherwise, use map miles to determine mileage.

Exception: Volunteer Services drivers can be paid mileage for the distance from their home or office to the client's home and the return trip from the client's home in addition to the round trip mileage for the client's medical services. Volunteer service drivers cannot be paid for mileage when the client either failed to keep the appointment or was not at home.

BAM 825, page 11 of 21

Given that policy, the Department's partial reimbursements have to be affirmed. It is undisputed that Appellant's driver is not a ██████████ and, as such, he or she cannot be paid mileage for the distance from the driver's home or office to the Appellant's home and the return trip from the Appellant's home in addition to the round trip mileage for the Appellant's medical services. Moreover, while Appellant claims she was told that all of the mileage should be covered, her testimony is unsupported and, regardless, the above policy is clear and binding in this case.

However, in addition to properly denying reimbursement for some mileage while approving reimbursement for other mileage, it is also disputed that the Department repeatedly denied reimbursement for other Medical Transportation Statements.

It is unclear from the record how many such denials there were as Appellant's approximation of ██████ requests was unsupported and appeared to include some requests where the Department did reimburse for mileage, just not in the amount identified, while the Department's witness testified that the denied requests would simply be returned to Appellant for correction and that the only written records of the denials were the ██████ Quick Notes sent to Appellant on ██████████ and ██████████

Regardless, the parties agreed that there were numerous denials and, moreover, it is clear that the Department failed to comply with the applicable policies when denying the requests for reimbursement.

Regarding denial of reimbursement for transportation, BAM 825 states:

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.

Referrals

The following are referrals not denials:

- Referring the client to the MHP for transportation services covered by the MHP; see **CLIENTS IN MANAGED CARE**.
- Referring the client to the CMHSP for transportation covered by their capitation rates; see **CLIENTS IN MANAGED CARE**.
- Referring the client to those providers who are able to bill MA directly; see **BILLED DIRECTLY TO MDCH**.

Do not issue a DHS-301 when making a referral.

BAM 825, pages 16-17 of 21

Given the above policy regarding notice, the Department erred and its actions must be reversed. The Department never provided Appellant with a DHS-301, Client Notice (Medical Transportation Denial), form detailing the reasons for any denials, identifying the legal basis for the denials, or notifying Appellant of her right to appeal. Instead, at most, the Department only returned the transportation statements to Appellant for correction or sent two Quick Notes. Such actions are insufficient and failed to comply with the applicable policies. Accordingly, the Department erred; its actions must be reversed; and it must initiate a reassessment of Appellant's request for mileage reimbursement.

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DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds that the Department improperly denied the Appellant's requests for medical transportation mileage reimbursement.

IT IS THEREFORE ORDERED THAT:

The Department's decision is **REVERSED** and it must initiate a reassessment of Appellant's requests for medical transportation mileage reimbursement.

Steven Kibit

Steven Kibit
Administrative Law Judge
for Nick Lyon, Director
Michigan Department of Health and Human Services

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

SK/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.