

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

IN THE MATTER OF:

██████████  
Appellant  
\_\_\_\_\_ /

**CASE INFORMATION**

Docket No.: ██████████  
Case No.: ██████████  
Appellant:  
██████████  
Respondent:  
Department Community Health  
██████████

**HEARING INFORMATION**

Hearing Date: ██████████  
Start Time: ██████████  
Location  
Telephone Hearing  
Department Community Health  
320 S. Walnut Street  
Lansing, MI 48909

**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 July 2, 2015. ██████████ the Appellant appeared and offered testimony on his own behalf. ██████████, Appeals Review Officer, represented the Respondent, Department of Community Health (DCH or Department). ██████████, Medicaid Utilization Analyst, appeared as a witness for the Department.

**ISSUE**

Did the Department properly deny the Appellant's Prior Authorization request for a Dry Pressure Pad?

**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 ██████████ Medicaid beneficiary who has been diagnosed with ulcers, multiple sclerosis and muscle weakness. (Exhibit A, p. 7)
2. On or about ██████████, the Department received a Prior Authorization request for Dry Pressure Pad. (Exhibit A, p. 7)
3. Along with the ██████████ Prior Authorization request was a document

indicating Medicare had determined the that the Dry Pressure Pad was not medically necessary as the information furnished did not substantiate the need for the service and the equipment was the same or similar to equipment already being used. (Exhibit A, p. 8; Testimony)

4. On ██████████ the Department sent the Appellant a notice of denial which indicated the April 16, 2015 prior authorization request was being denied as Medicare indicated that the service requested was not denied as not being medically necessary. (Exhibit A, p. 12; Testimony)
5. On ██████████, the Michigan Administrative Hearing System received the hearing request filed on the Appellant's behalf. (Exhibit A, pp. 4-6)

### **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 Medicaid Provider Manual provides, in pertinent part, as follows:

Providers of Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) must be enrolled as a Medicare provider effective September 30, 2009. (Refer to the General Information for Providers chapter for additional information.)

The primary objective of the Medicaid Program is to ensure that medically necessary services are made available to those who would not otherwise have the financial resources to purchase them.

The primary objective of the Children's Special Health Care Services (CSHCS) Program is to ensure that CSHCS beneficiaries receive medically necessary services that relate to the CSHCS qualifying diagnosis.

This chapter describes policy coverage for the Medicaid Fee-for-Service (FFS) population and the CSHCS population. Throughout the chapter, use of the terms Medicaid and Michigan Department of Health and Human Services (MDHHS) includes both the Medicaid and CSHCS Programs unless otherwise noted.

Medicaid covers the least costly alternative that meets the beneficiary's medical need for medical supplies, durable medical equipment or orthotics/prosthetics.

#### **1.5 MEDICAL NECESSITY**

Medical devices are covered if they are the most cost-effective treatment available and meet the Standards of Coverage stated in the Coverage Conditions and Requirements Section of this chapter.

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The medical record must contain sufficient documentation of the beneficiary's medical condition to substantiate the necessity for the type and quantity of items ordered and for the frequency of use or replacement. The information should include the beneficiary's diagnosis, medical condition, and other pertinent information including, but not limited to, duration of the condition, clinical course, prognosis, nature and extent of functional limitations, other therapeutic interventions and results, and past experience with related items. Neither a physician, nurse practitioner (NP) or physician assistant (PA) order nor a certificate of medical necessity by itself provides sufficient documentation of medical necessity, even though it is signed by the treating/ordering physician, NP or PA. Information in the medical record must support the item's medical necessity and substantiate that the medical device needed is the most appropriate economic alternative that meets MDHHS standards of coverage.

Medical equipment may be determined to be medically necessary when all of the following apply:

- The service/device meets applicable federal and state laws, rules, regulations, and MDHHS promulgated policies.
- It is medically appropriate and necessary to treat a specific medical diagnosis, medical condition, or functional need, and is an integral part of the nursing facility daily plan of care or is required for the community residential setting.
- The function of the service/device:
  - meets accepted medical standards;
  - practices guidelines related to type, frequency, and duration of treatment; and
  - is within scope of current medical practice.
- It is inappropriate to use a nonmedical item.
- It is the most cost effective treatment available.
- The service/device is ordered by the treating physician, NP or PA (for CSHCS beneficiaries, the order must be from the pediatric subspecialist) and clinical documentation from the medical record supports the medical necessity for the request (as described above) and substantiates the practitioner's order.
- The service/device meets the standards of coverage published by MDHHS.
- It meets the definition of Durable Medical Equipment (DME) as defined in the Program Overview section of this chapter.
- Its use meets FDA and manufacturer indications.

MDHHS does not cover the service when Medicare determines that the service is not medically necessary.

*Medicaid Provider Manual  
Medical Supplier  
July 1, 2015, pp 1, 4, 5.*

\* \* \*

The Department's witness testified that the Appellant's prior authorization request was denied as the documentation provided with the request did not show that the Dry Pressure Pad was medically necessary as Medicare had determined the service was not medically necessary.

The Appellant testified the Dry Pressure Pad was necessary but could not refute the documentation that indicated Medicare had determined the service was not medically necessary.

Consequently, based on the evidence and documentation submitted, Appellant did not prove, by a preponderance of evidence, that the Dry Pressure Pad requested was of medical necessity.

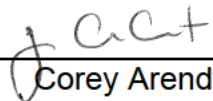
As much as this administrative law judge might sympathize with Appellant, he cannot ignore the clear policy found in the Medicaid Provider Manual. Accordingly, the Department's denial must be upheld.

**DECISION AND ORDER**

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

**IT IS THEREFORE ORDERED** that:

The Department's decision is AFFIRMED.

  
\_\_\_\_\_  
Corey Arendt  
Administrative Law Judge  
for Director, Nick Lyon  
Michigan Department of Health and Human Services

cc: [REDACTED]

[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.