

**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. 15-005314 TRN  
Case No. ██████████

**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, an in-person hearing commenced on ██████████. Attorney ██████████ appeared on Appellant's behalf. Appellant appeared as a witness. ██████████, Appeals Review Officer, represented the Department of Health and Human Services (Department). ██████████, Department Analyst, Project Review Division; and ██████████, Eligibility Specialist appeared as witnesses for the Department of Health and Human Services (Department).

**ISSUE**

Did the Department properly deny Appellant's requests for medical transportation to doctors' offices outside of the community?

**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 ██████ year old Medicaid beneficiary, born ██████████.
2. Appellant currently lives in ██████████. Appellant moved to ██████████ in ██████. Appellant previously lived in ██████████ and all of her doctors are in ██████████.
3. Appellant is diagnosed with numerous medical conditions, including metabolic encephalopathy brought on by hypoxia and cumulative effects of life-long exposures to pesticides. Appellant cannot drive due to a seizure disorder.
4. On or about ██████████, Appellant submitted DHS 54-A forms and equivalent documents signed by her health care providers to the

Department. The treating physicians were located in ██████████  
██████████, and ██████████.

5. Appellant has requested that the driver for medical transportation must be a non-smoking female who uses a vehicle that has not been smoked in.
6. ██████████ County does not have a volunteer driver who meets these criteria.
7. Appellant has multiple medical appointments that are outside of Appellant's community, many exceeding 50 miles away.
8. ██████████, a transport county does not provide drivers for intra-county travel.
9. ██████████, a transport company, will not accept the rates which Medicaid/Medicaid exception will pay for transportation.
10. On ██████████, Appellant's Request for Hearing was received by the Michigan Administrative Hearing System, alleging that the Department has failed to provide transportation on an ongoing basis.

### **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:

Each Michigan Department of Health and Human Services (MDHHS) 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 MDHHS 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.

Medical transportation is available to:

- Family Independence Program (FIP) recipients.
- MA recipients (including those who also have Children's Special Health Care Services (CSHCS) coverage).
- Supplemental Security Income (SSI) recipients.
- Healthy Michigan Plan (HMP) recipients.

**Note:** Unless otherwise indicated, medical transportation coverage for HMP recipients is the same as medical transportation coverage for MA recipients. BAM 825, page 1

MDCH authorized transportation is limited for clients enrolled in managed care; see **CLIENTS IN MANAGED CARE**.

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. BAM 825, page 2

Do not authorize payment for the following:

- Transportation for non-covered 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. **BAM 825, pages 2-3**

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. MDHHS staff is encouraged to explore whether such arrangements exist before authorizing transportation. However, if the client informs the MDHHS worker that transportation resources are not available, or that providing transportation without reimbursement is a financial hardship, transportation should be approved 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 that 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. **BM 825, PAGES 3-4**

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:

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- 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 contract 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. Bam 825, pages 4-5

Review continued need for medical transportation:

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- When indicated on the DHS-54 A, Medical Needs, form.
- At redetermination.
- Annually for SSI recipients.

The need for a special allowance must be reviewed yearly; see **Special Allowances**.

The need for transportation must be reviewed even if recipient's medical condition is considered lifetime. BAM 825, pages 7-8

All prior authorization requests must be submitted before the service is provided and payment is made. Exceptions will only be granted for emergency situations or when extenuating circumstances exist and are clearly documented.

No exceptions will be made for requests submitted 30 days or more after the service is provided.

The following transportation expenses require prior authorization from MDCH:

- All outstate travel that is non-borderland; see BAM 402.
- Overnight stays if within 50 miles from recipient's home (one way).
- Overnight stays beyond five days (14 days for Children's Hospital of Michigan, C.S. Mott Children's Hospital, or Helen DeVos Children's Hospital).
- Overnight stays or travel outside the normal service delivery area if expenses for two or more family members are included.
- Meals for trips not involving overnight stays; see exhibit 1, **Essential Medical Transportation Rate Schedule**.
- Special allowance when two or more attendants are medically necessary.
- Mileage and food costs for daily long-distance trips.
- Methadone treatment that extends beyond 18 months (DCH/CMH).
- Prior authorization may be requested for up to 6 months in cases where prolonged treatment requires multiple transports.

For all prior authorizations, send or fax (517) 335-0075 a memo to:

Michigan Department of Community Health  
Program Review Division/Ancillary Unit  
Attention: Medical Transportation  
PO Box 30170  
Lansing, MI 48909

It is important that documentation include the specific reason(s) why the client requires special transportation. The memo must be attached to the DHS 54-A and must include the following information:

- Client name and recipient ID.
- Case number.
- Client address.
- Reason for requested travel expense(s).
- Effective travel dates (begin and termination).
- Travel origin and destination.
- Diagnosis.
- Specific reason/need for special transportation (if applicable).
- Specialist name and telephone number.

Although it is best to fax or send a memo, local offices can contact the Program Review Division/Ancillary Unit at (800) 622-0276. The Program Review Division will respond to the local/district office with a memo.

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.

Do not authorize payment to nonemergency transportation providers for missed or cancelled appointments. BAM 825, page 11

The following are reimbursement rates for travel by vehicle:

- Ticket charge per person (one way or round trip) for inter-city public transit.
- Round trip rate of \$30 and \$.27 cents per mile for commercial non-emergency medical transport vehicles specially equipped or designed to accommodate non-ambulatory (unable to walk) clients.
- \$.23 per mile for all **personal** vehicles if alternative transportation is not available and mileage reimbursement is

necessary. This includes the client, relatives, friends, neighbors, etc.

- \$.27 per mile only for:
  - Commercial non-emergency medical transport vehicles.
  - Nonprofit agencies.
  - Taxis.
  - Vans operated by medical facilities or public entities such as health agencies.
- Registered volunteer services drivers and foster care parents will be reimbursed at \$.555 per mile.
  - Do not authorize payment for waiting time or multiple trips for a single medical visit. BAM 325, pages 11-12

Exceptions to the maximum reimbursement rate must be prior authorized by MDCH.

All exception requests must clearly document the following:

- No appropriate transportation provider is available within the county.
- No appropriate medical facility is available within the county.
- Mileage (one-way) exceeds 50 miles.
- The quoted rate is the lowest available. Include quotes from a minimum of three providers.
- The provider is the only one available. BAM 825, pages 13-14

Use the MSA-4674, Medical Transportation Statement, to:

- Authorize payment for routine travel expenses that do not require advance payment,
- Verify that transportation was provided.

Use an MSA-4674 to authorize payment whenever a less expensive means for medical transportation is not otherwise available. Use comparable documentation from the provider and/or transporter if the client is unable to obtain the MSA-4674 prior to a medical visit.

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A separate MSA-4674 is required for each medical provider or transporter. Chronic and ongoing treatment to the **same provider** may have more than five multiple trips within a calendar month reflected on the MSA-4674-A, Medical Transportation Statement - Chronic and Ongoing Treatment.

The local office must receive the MSA-4674 from the transportation provider within 90 calendar days from the date of service to authorize payment. The local office must then approve the MSA-4674 and submit it to the appropriate MDHHS accounting service center within 10 business days of receipt of the form.

**EXCEPTION:** A MSA-4674 is not required for volunteer services drivers if a DHS-4681, Volunteer Transportation Request/Authorization, is submitted for payment to the local office fiscal unit.

The client and medical provider(s) (or their staff) must sign the form. The transporter must sign if payment is to be issued to the transporter, except for mass transit transporters. BAM 825, page 14

In the instant case, Appellant first alleges that the Department has failed to provide medical transportation on a regular basis and she has been forced to cancel numerous appointments.

The second allegation brought forth by Appellant at the hearing is that she paid ██████████ ██████████ to take her to appointments in ██████████ and seeks reimbursement.

The third allegation is that the Department has failed to find her a female, non-smoking driver when Appellant needs one.

The fourth allegation is that the Department has cancelled or caused her to cancel 28 medical appointments because of the refusal to provide acceptable transportation.

At the hearing, the Department representative testified that the Department cannot not directly reimburse clients for payments they have made to transportation providers. The Department representative stated that if Appellant submits documentation from ██████████ ██████████, ██████████, ██████████, ██████████ and ██████████, the prior authorization request will be considered for transportation costs to be reimbursed to the provider. The Department will consider the reimbursement request if the transportation provider and medical provider fill out the MS-4674 form and provided information that the appointment did take place and that Appellant did attend the appointments. In this case, ██████████ is not an enrolled Medicaid Provider. ██████████ thus billed Appellant directly for services rendered. If ██████████ were a Medicaid enrolled transportation provider they could not bill the Appellant directly.

The Department representatives indicated that Appellant has requested the specific parameters for medical transportation providers. The driver must be a non-smoking female who uses a vehicle that has not been smoked in. ██████████ County Department of Health and Human Services does not have a volunteer driver that meets these criteria.

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Appellant alleges that she suffers from Post-Traumatic Stress Disorder because she was molested on public transportation in the past and so she will not use public transportation and is afraid of strange men. This has been documented by her prior medical evidence.

Appellant has multiple medical appointments that are outside of the Appellant's community, many exceeding 50 miles one way.

The Eligibility Specialist and the Transportation Specialist with the Program Review division have made efforts to seek quoted rates, as mandated by policy. Through these efforts, approvals have been given to utilize [REDACTED] and [REDACTED]. These approvals include parameters that are set forth in policy such as:

- A MSA 4674 completed by the providers for each provider to verify that services were provided.
- An itemized bill that includes the address of the pick-up and destination, base fee and mileage rate.
- A DHS 54 Medical Needs form filled out by each of the medical providers to verify the need for services.
- A written explanation from the Appellant's primary physician detailing why local service providers are inadequate to meet service needs.
- The inability to pay for "wait time" or attendant fees that do meet the definition as set forth by policy.

The Department has diligently reviewed Appellant's requests for medical transportation as follows:

[REDACTED]: the Department granted an exception for [REDACTED] to [REDACTED], [REDACTED] to [REDACTED], [REDACTED] to [REDACTED]. It included outline of expectation for itemized bills. Authorization for [REDACTED] to [REDACTED]. State's Exhibit A page 13

[REDACTED]: the Department denied Appellant's request stating that [REDACTED] does not have a female driver available on Wednesdays or Fridays (please note that at the time this was the only provider that the local office had been able to find and get approval for that met the appellant's criteria for transportation). State's Exhibit a page 14

[REDACTED]: The Eligibility Specialist sent the Transportation Specialist an Urgent Request for Exception to Medicaid Rates (including quotes from additional providers of transportation) stating that on [REDACTED], the Michigan Administrative Hearings System (MAHS) issued a Decision and Order stating that [REDACTED] County must find ways to meet Appellant's medical transportation needs with transportation

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being provided by a non-smoking female in a non-smoking vehicle. State's Exhibit A pages 17-18

██████████: the Department approved Appellants requests for appointments to ██████████; to ██████████ using ██████████. Restriction was noted that the Department does not pay for wait time or multiple trips for a single visit. Also noted to authorize payment for an attendant when medically necessary. The approval noted the need for new 54A, Medical Needs Forms from Dr. ██████████, Dr. ██████████, Dr. ██████████, and Dr. ██████████ for the appointments. Approval dates ██████████ - ██████████. State's Exhibit A page 23

██████████: Memo approving ██████████ and ██████████, noting limitations set forth in policy. Approval dates ██████████ to ██████████. State's Exhibit A page 25

██████████: Memo to deny requests for transportation reimbursement because Appellant lacked an MSA 4674 Medical Transportation Record Form for ██████████, ██████████, ██████████, and ██████████. Appellant was notified of the denials. State's Exhibit A pages 43-44

██████████: The Program Review division issued a memo indicating that ██████████ County does not have a volunteer driver to meet Appellant's need for a female non-smoking driver in a non-smoking vehicle. Other local transportation sources have been contacted, but are not able to provide what Appellant requires. There are three potential non-essential Medical Transportation providers serving ██████████ County who can provide a female non-smoking driver (██████████, Michigan Transportation Service and ██████████). State's Exhibit a pages 47-48

██████████: The Department approved a one-time exception over Medicaid Fees without receiving a prior authorization reimbursement for ██████████, ██████████, ██████████, ██████████ and ██████████. ██████████ was approved for \$██████████/total for DOS ██████████. State's Exhibit a page 52

██████████: Medicaid approved Appellant's request for special allowance (over Medicaid rate of .24/mile) for transportation to ██████████ via ██████████ and ██████████ ██████████ 3 times per week as well as for physician appointments to Dr. ██████████ on ██████████ and Dr. ██████████ (when needed). ██████████ and ██████████ must submit invoices for review. State's Exhibit a page 53.

██████████: Medicaid approved Appellant's request for special allowance for medical and PT appointments. Medicaid will cover \$22.00/base rate and \$2.50/mile for ██████████ (when client uses the company) and ██████████ at \$2.00/mile. Authorization dates: ██████████ - ██████████. State's Exhibit a page 60

The Department indicated that Appellant requested transportation for a neurosurgeon for ██████████. The date was a Wednesday. ██████████ could not transport that day because it was a Wednesday and they did not have a non-smoking female driver available. ██████████ was approved for the transport as a back dated approval but they would not travel to ██████████. ██████████ was not enrolled as a Medicaid provider on

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██████████ but became approved on ██████████. Thus, the appointment was cancelled.

Appellant was scheduled for a Pulmonologist appointment on ██████████. The Department could not arrange transportation because the appointment was re-scheduled by the doctor for ██████████ at 4:30pm. Because of the late return time, the transportation companies could take Appellant to the appointment but not make the return trip which would have been well after business hours of 5:00 p.m., so Appellant could not keep the appointment.

An ██████████ dental appointment was approved by the Department, but ██████████ would not accept the approved transportation rate because it was below what they wanted to charge for the trip.

Appellant had appointments for kidney x-rays on ██████████, but she had not yet been approved for exceptions for transportation (prior authorization was until ██████████) so she did not keep the appointments. The Department did not cancel any appointments to doctors. Later on ██████████, the exceptions were granted prior approval authorization from ██████████ to ██████████.

The Department does not cover ambulatory fees, does not pay for wait time for non-emergent transport, does not pay a cover fee for drivers and does not pay for unloading mileage from the provider's place of business to the beneficiary's home.

Appellant cannot receive reimbursement for ██████████ who took Appellant from home to the Emergency room because ██████████ is not a Medicaid approved provider. ██████████, a Medicaid approved provider, did not receive reimbursement for transportation because she would not accept the approved \$.23 per mile. The Department is not in control of who enrolls as a service provider or what they are willing to accept as payment for services.

This Administrative Law Judge finds that the Department has been diligent in attempting to provide Appellant with transportation to her doctor's and physical therapy appointments. The Department has on numerous occasions provided the services. Appellant has numerous, complex medical conditions and numerous physicians located in ██████████, ██████████ and ██████████, Michigan. The Department has attempted to accommodate her in her quest for acceptable transportation so that she may attend her medical appointments. The Department has not cancelled any of her medical appointments. The Department has not caused to be cancelled, any of Appellant's medical appointments. Cancellations of medical appointments appear to have been caused by the fact that ██████████ County has limited medical transportation services available, and not by any action of the Department. As far as this Administrative Law Judge is able to determine, the evidence does not support Appellant's contention that the Department has denied her access to Medical Transportation. Each request for such transportation must be dealt with on an individual basis. Appellant and her transportation providers must submit the appropriate paperwork as required by policy to obtain reimbursement for medical transportation. The Department's actions must be upheld under the circumstances.

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**DECISION AND ORDER**

This Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department has established by the necessary competent, substantial and material evidence on the record that it was acting in compliance with Department policy at all times relevant to this case.

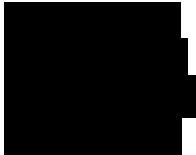
**IT IS THEREFORE ORDERED** that:

The Department's decision is **AFFIRMED**.



Landis Y. Lain  
Administrative Law Judge  
for Nick Lyon, Director  
Michigan Department Health and Human  
Services

cc:



LYL/



Date Signed:



Date Mailed:



**\*\*\* 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.