

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.: 15-008466-PA
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 Appellant's request for hearing.

After due notice, a hearing was held on ██████████. ██████████ appeared and offered testimony on her own behalf. ██████████, Appeals Review Officer, represented the Department. ██████████, Medicaid Utilization Analyst, appeared as a witness for the Department.

ISSUE

Did the Department properly deny the Appellant's prior authorization (PA) request for a patient owned wheelchair repair for the drive joystick?

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, born ██████████. (Exhibit A, p 7; Testimony)
2. On or around ██████████, the Respondent approved the Appellant for a GoldenTech Compass Power Chair. The approved item came with a 1 year limited warranty from the date of purchase that covered defective materials or workmanship. (Ex A, pp 13, 25; Testimony)

3. On ██████████, a PA was submitted to the Respondent for a drive joystick repair for the Appellant's GoldenTech Compass Power Chair. (Exhibit A, p 7; Testimony)
4. On or around ██████████ the Department reviewed the ██████████ PA request. The reviewer determined the PA should be denied as the item being repaired was still covered by a warranty and the damage was alleged to have been caused by the Appellant smashing the cables in the armrest on the wheelchair. (Exhibit A, p 7, 9-12; Testimony)
5. On ██████████, the Department sent the Appellant and the Provider a notice of denial. The notice indicated the reasons why the ██████████ PA was being denied. (Exhibit A, pp 9-12; Testimony)
6. On ██████████, the Michigan Administrative Hearing System received the hearing request filed on the Appellant's behalf. (Exhibit A, p 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:

SECTION 1 – PROGRAM OVERVIEW

This chapter applies to Medical Suppliers/Durable Medical Equipment and Orthotists/Prosthetists.

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 MDCH 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.

* * *

Durable Medical Equipment (DME)

DME are those items that are Food and Drug Administration (FDA) approved, can stand repeated use, are primarily and customarily used to serve a medical purpose, are not useful to a person in the absence of illness or injury, and can be used in the beneficiary's home. Examples are: hospital beds, wheelchairs, and ventilators. DME is a benefit for beneficiaries when:

- It is medically and functionally necessary to meet the needs of the beneficiary.
- It may prevent frequent hospitalization or institutionalization.
- It is life sustaining.

* * *

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.

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's order nor a certificate of medical necessity by itself provides sufficient documentation of medical necessity, even though it is signed by the treating physician. 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 MDCH 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 MDCH 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, and clinical documentation from the medical record supports the medical necessity for the request (as described above) and substantiates the physician's order.
- The service/device meets the standards of coverage published by MDCH.
- 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.

* * *

1.10 NONCOVERED ITEMS

Items that are not covered by Medicaid include, but are not limited to:

- Equipment not used or not used properly by the beneficiary

* * *

2.48 WHEELCHAIRS, PEDIATRIC MOBILITY AND POSITIONING MEDICAL DEVICES, AND SEATING SYSTEMS

* * *

2.48.C. PRIOR AUTHORIZATION FOR PURCHASE, RENTALS, REPAIRS, AND/OR REPLACEMENT OF MOBILITY DEVICES

Prior Authorization

The Medicaid Utilization Analyst (Program Review Division) is the authorized Medicaid representative who determines if the service

requested falls within the standards of coverage. A prior authorization request may be returned or denied if the documentation is incomplete and not specific to the beneficiary and device requested.

MDHHS reserves the right to request additional documentation to determine medical necessity. For CSHCS beneficiaries, a medical referral from an appropriate board certified pediatric subspecialist or an Office of Medical Affairs (OMA)-approved physician is required. MDHHS also reserves the right to require a medical referral from an appropriate board-certified pediatric subspecialist for Medicaid beneficiaries.

Repairs for beneficiary-owned mobility devices are covered only after the manufacturer's warranty has been exhausted.

MDCH Medicaid Provider Manual
Medical Supplier Section
July 1, 2015, pp 1, 4, 13, 14, 17, 93

* * *

In the present case, the Department determined that the PA request should be denied because the PA request indicated the Appellant had damaged the part in question by smashing the cables. And as a result the repair to the equipment is considered a non-covered item as the Appellant was not using the equipment properly. Additionally, the wheelchair was purchased within the year prior to the PA request and as such the repairs are only covered after the manufacturer's warranty has been exhausted.

The Appellant argued the wheelchair was brand new and the part in question was installed incorrectly.

The PA request completed by the Provider indicated the Appellant had damaged the part. However, even if the Appellant did not damage the part, the equipment being brand new is covered by a one year limited warranty and that warranty should be exhausted first.

Based on the documentation submitted and the testimony provided, the Appellant did not show the repair was a covered item or that attempts were made to have the equipment repaired under warranty. The evidence indicates that more likely than not, the Appellant damaged the equipment and even if she didn't, there is no evidence to indicate that attempts to have the equipment repaired under warranty were exhausted. Accordingly, the Department's denial must be upheld.

DECISION AND ORDER

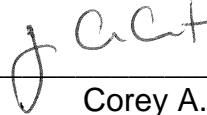
The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department properly denied the Appellant's request for a repair of a wheelchair drive joystick based on the submitted documentation.

[REDACTED]

Docket No. 15-008466 PA
Decision and Order

IT IS THEREFORE ORDERED that:

The Department's decision is AFFIRMED.



Corey A. Arendt
Administrative Law Judge
for Director, Nick Lyon

Michigan Department of Health and Human Services

[REDACTED]

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

[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.