

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:

Docket No. 15-017917 PA

██████████

██████████

██████████

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 Appellant's request for a hearing.

After due notice, a hearing was held on 1 ██████████. Appellant personally appeared. ██████████, Appellant's parent, appeared as a representative and testified on behalf of Appellant.

██████████, Appeals Review Officer, represented the Department of Health and Human Services. ██████████, Medicaid Utilization Analyst, appeared as a witness for the Department.

ISSUE

Did the Department properly deny Appellant's prior authorization request for a power wheelchair and accessories?

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 male Medicaid beneficiary who has been diagnosed with cerebral Palsy, and scoliosis, along with relevant past and future surgeries. (See Exhibit A.30).
2. Appellant's primary insurance is ██████; Medicaid is secondary. (Testimony).
3. Appellant currently uses a manual wheelchair that "is ██████ years old and is worn out from daily use." (Exhibit A.37).

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4. On ██████████ the Department received a prior authorization request from ██████████ ██████████ for modifications to a ██████████ ██████████ manual wheelchair for Appellant. On 5 ██████████ the Department requested additional information. (Exhibit A.9-10).
5. On ██████████ the Department received additional information submitted by ██████████ with regard to the Department's request for additional information. (Exhibit A.17-18).
6. On ██████████ the Department issued a Notice of Amended Authorization approving the wheelchair, along with E2607 and K0108-ski Pro/Pos with Cus Wd, and Frank Mobility Emotion hardware for Emotion #07019925 and installation fee. (Exhibit A.11-12).
7. On ██████████ the Department issued a Notice of Denial Request for Administrative Hearing Notice denying certain custom requests, including E1015-shock absorber, E2617-custom fabric with back cushion, E1399-shipping cost and other items under A9999. (Exhibit A.13-14).
8. On ██████████ the Department issued a Notification of Denial denying all items requested. The Department stipulated at the administrative hearing that this denial was incorrect to the extent that the previously approved items continue to be approved as found in the prior approval(s). (Exhibit A.19-20; 23-24; Testimony).
9. The Department's indicated that the approvals that can be approved include any standard components. The denials are custom components on the grounds that the items are not medically necessary, specifically excluded by the Medicaid Provider Manual (MPM), or are not the most cost effective alternative, as well as the MPM Sections 1,1.3, 1.5, 1.10, 1.8, and 2.48 of the Medical Supplier chapter. (Exhibit A; A.23-24; Testimony).
10. The Department testified that it would approve the hardware PA request for the power wheels if Appellant choses to pay for the shipping costs. (Testimony).
11. On ██████████ the Michigan Administrative Hearing System received the request for hearing filed by Appellant and her representative in this matter.

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.

Medicaid covered benefits are addressed for the practitioners and beneficiaries in the Medicaid Provider Manual (MPM). As stated in the MPM, "Medicaid covers the least costly alternative that meets the beneficiary's medical need for medical supplies, durable medical equipment or orthotics/prosthetics." MPM, October 1, 2013 version, Medical Supplier Chapter, page 1.

Moreover, with respect to the replacement or repair of durable medical equipment in general, the MPM states:

SECTION 1 – PROGRAM OVERVIEW

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

1.3 PLACE OF SERVICE

Medicaid covers medical supplies, durable medical equipment (DME), orthotics, and prosthetics for use in the beneficiary's place of residence except for skilled nursing or nursing facilities.

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, 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 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 meets the standards of coverage published by MDHHS.

* * *

1.8 DURABLE MEDICAL EQUIPMENT

1.8.A. STANDARD EQUIPMENT AND CUSTOM-FABRICATED SEATING

Standard equipment and custom-fabricated seating must be medically necessary and meet the medical and/or functional needs of the beneficiary.

Standard equipment and accessories are products ordered from manufacturer stock.

Measuring and custom-fitting a medical device to a beneficiary or custom-assembling a medical device to fit a beneficiary's needs using manufactured stock pieces is not considered to be custom-fabricated.

Custom-fabricated seating is made from clinically derived, rectified castings, tracings, and other images (such as x-rays) of the beneficiary's body part.

1.10 NONCOVERED ITEMS

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

- Equipment for social or recreational purposes
- Padded footplates
- Air conditioner
- Custom seating for secondary and/or transport chairs
- Wheelchair accessories (e.g., horns, lights, bags, special colors, etc)

* * *

2.48.B. STANDARDS OF COVERAGE

Custom-Fabricated Seating Systems

Is the most economical alternative available to meet the beneficiary's mobility needs.

Wheelchair Accessories

Reimbursement may be made for separate wheelchair accessories that have designated HCPCS codes. Separate reimbursement may be considered for specific wheelchair accessory codes when provided in conjunction with the purchase of a manual wheelchair, power wheelchair, or an addition to an existing wheelchair if:

- It is required to provide safety.
- It is required for appropriate positioning.
- It is the most economical alternative.

*MPM, October 1, 2015 version
Medical Supplier Chapter*

Here, pursuant to the above policies, the Department denied the prior authorization request for certain non-standard components for the reasons that the components did not meet the medical necessity criteria; were not the most cost effective alternatives; or were specifically excluded by the MPM. These policies are specifically laid out in Sections 1, 1.3, 1.5, 1.10, 1.8 and 2.48 of the medical Supplier chapter of the MPM cited above. As stated in the notice of denial and testified to by the Department's witness, the Department made that decision because the submitted documentation did not demonstrate that the custom components could not be replaced by standard components thus failing the tests of medical necessity and least costly alternative.

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Appellant bears the burden of proving by a preponderance of the evidence that the Department erred in making that decision. In this case, Appellant and her representative have failed to meet that burden of proof.

To the extent Appellant has new or updated information to provide, she is free to submit a new prior authorization request for a power wheelchair and accessories. With respect to the decision at issue in this case, however, the Department's denial must be affirmed given the information available the time.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds that the Department properly denied Appellant's prior authorization request for a power wheelchair and accessories.

IT IS THEREFORE ORDERED THAT:

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



Janice Spodarek
Administrative Law Judge
for Nick Lyon, Director
Michigan Department of Health and Human
Services

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

JGS/db

cc: [REDACTED]
[REDACTED]
[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.