



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: May 5, 2016  
MAHS Docket No.: 16-003019  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Landis Lain

### **DECISION AND ORDER**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 upon the Petitioner's request for a hearing.

After due notice, a hearing was held on [REDACTED]. Petitioner [REDACTED] appeared on behalf of the Petitioner; [REDACTED], Fair Hearings Officer; and [REDACTED], Clinical Supervisor appeared and testified on behalf of the [REDACTED] Network, represented the Department of Health and Human Services (Department).

Respondent's Exhibit A pages 1-75 were admitted as evidence.

### **ISSUE**

Did the Department properly cancel Petitioner's outpatient methadone treatment (OMT)?

### **FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. Petitioner is a Medicaid beneficiary, who has a history of illicit drug use.
2. [REDACTED] Network is an authorizing agency for substance abuse services provided under programs administered by the Department of Health and Human Services/Community Mental Health (CMH).
3. [REDACTED] County contracts with [REDACTED] Clinical Services to provide outpatient methadone treatment (OMT) to CMH enrollees.

4. Petitioner was receiving treatment with [REDACTED] Clinical Services, a licensed methadone provider.
5. On [REDACTED], [REDACTED] Clinical Services and Petitioner signed a 60/60 contract which indicated that Petitioner had been engaging in continued use of illicit substances despite being on Methadone treatment for the past six months. Consequently, Petitioner would be placed on probation for a term of 60 days. (Respondent's Exhibit A page 42)
6. As part of the probation, Petitioner agreed to achieve and maintain negative drug screens for all illicit substances within 60 days; submit all prescriptions to nursing staff for documentation for any and all prescribed medications; be on time to attend and participate in achieving treatment plan goals; and dose on site six times per week, during regular dosing hours. (Respondent's Exhibit A page 42)
7. From [REDACTED] through [REDACTED], Petitioner received 20 positive drug screens for marijuana (THC), cocaine, benzodiazepine, opiates, and OxyContin. (Respondent's Exhibit A page 41)
8. During the relevant time period Petitioner provided no prescription verifications. (Testimony)
9. During the relevant time period Petitioner refused to stay for two sessions, had four no call/no show to session appointments and rescheduled nine appointments over a six month period of time. (Testimony)
10. On [REDACTED], Victory Clinical Services sent Petitioner an Advance Action Notice stating that Methadone Outpatient Treatment would be terminated effective [REDACTED] because Petitioner was non-compliant with the 60 day contract to discontinue all illicit drug usage. (Respondent's Exhibit A page 28)
11. On [REDACTED], Petitioner filed a Request for Hearing to contest the termination of Methadone Outpatient Treatment. (Respondent's Exhibit A page 30)

### **CONCLUSIONS OF LAW**

The Medicaid program (MA) 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, R400.1101 *et seq.*), and the state Medicaid plan promulgated pursuant to Title XIX of the SSA.

Subsection 1915(b) of the SSA provides, in relevant part:

The Secretary, to the extent he finds it to be cost-effective and efficient and not inconsistent with the purposes of this title, may waive such requirements of section 1902(a)(10)(A) insofar as it requires provision of the care and services described in section 1905(a)(2)(C)) as may be necessary for a State –

- (1) to implement a primary care case-management system or a specialty physician services arrangement which restricts the provider from (or through) whom an individual (eligible for medical assistance under this title) can obtain medical care services (other than in emergency circumstances), if such restriction does not substantially impair access to such services of adequate quality where medically necessary.

Under approval from the Center of Medicare and Medicaid Services (CMS), the Department (MDHHS) presently operates a Section 1915(b) Medicaid waiver referred to as the managed specialty supports and services waiver. A prepaid inpatient health plan (PIHP) contracts (Contract) with MDHHS to provide services under the waiver, as well as other covered services offered under the state Medicaid plan.

Pursuant to the Section 1915(b) waiver, Medicaid state plan services, including substance abuse rehabilitative services, may be provided by the PIHP to beneficiaries who meet applicable coverage or eligibility criteria.

Medicaid-covered substance abuse services and supports, including Division of Pharmacological Therapies (DPT)/Center for Substance Abuse Treatment (CSAT) – approved pharmacological supports may be provided to eligible beneficiaries.

*Medicaid Provider Manual, Mental Health/Substance Abuse  
Chapter, §§ 12.1, April 1, 2016.*

DPT/CSAT-approved pharmacological supports encompass covered services for methadone and supports and associated laboratory services. *Medicaid Provider Manual, Mental Health/Substance Abuse Chapter, §§ 12.2, April 1, 2016.* Opiate-dependent patients may be provided therapy using methadone or as an adjunct to other therapy.

Discontinuance/Termination of Treatment is governed by *Medicaid Provider Manual, Mental Health/Substance Abuse Chapter, §§ 12.2.2.F, April 1, 2016*, pp. 77-79, which provides:

## **12.2.F. DISCONTINUATION/TERMINATION CRITERIA**

Discontinuation/termination from methadone treatment refers to the following situations:

- Beneficiaries must discontinue treatment with methadone when treatment is completed with respect to both the medical necessity for the medication and for counseling services.
- Beneficiaries may be terminated from services if there is clinical and/or behavioral noncompliance.
- If a beneficiary is terminated,:
  - The OTP must attempt to make a referral for another LOC assessment or for placing the beneficiary at another OTP.
  - The OTP must make an effort to ensure that the beneficiary follows through with the referral.
  - These efforts must be documented in the medical record.
  - The OTP must follow the procedures of the funding authority in coordinating these referrals.
- Any action to terminate treatment of a Medicaid beneficiary requires a "notice of action" be given to the beneficiary and the parent, legal guardian, or responsible adult (designated by the relevant state authority/CPS). The beneficiary and the parent, legal guardian, or responsible adult (designated by the relevant state authority/CPS) has a right to appeal this decision, and services must continue and dosage levels maintained while the appeal is in process.

Services are discontinued/terminated either by Completion of Treatment or through Administrative Discontinuation. Refer to the following subsections for additional information.

Administrative Discontinuance of Treatment is governed by *MPM, Mental Health/Substance Abuse Chapter, §§ 12.2.F.2, April 1, 2016, p 71-73*, which provides:

### **12.2.F.2. ADMINISTRATIVE DISCONTINUATION**

Administrative discontinuation relates to non-compliance with treatment and recovery recommendations, and/or engaging in activities or behaviors that impact the safety of the OTP environment or other individuals who are receiving treatment. The OTP must work with the beneficiary and the parent, legal guardian, or responsible adult (designated by the relevant state authority/CPS) to explore and implement methods to facilitate compliance.

Non-compliance is defined as actions exhibited by the beneficiary which include, but are not limited to:

- The repeated or continued use of illicit opioids and non-opioid drugs (including alcohol).
- Toxicology results that do not indicate the presence of methadone metabolites. (The same actions are taken as if illicit drugs, including non-prescribed medication, were detected.)

In both of the aforementioned circumstances, OTPs must perform toxicology tests for methadone metabolites, opioids, cannabinoids, benzodiazepines, cocaine, amphetamines, and barbiturates (Administrative Rules for Substance Use Disorder Service Programs in Michigan, R 325.14406).

OTPs must test the beneficiary for alcohol if use is prohibited under their individualized treatment and recovery plan or the beneficiary appears to be using alcohol to a degree that would make dosing unsafe.

- Repeated failure to submit to toxicology sampling as requested.
- Repeated failure to attend scheduled individual and/or group counseling sessions, or other clinical activities such as psychiatric or psychological appointments.
- Failure to manage medical concerns/conditions, including adherence to physician treatment and recovery services and use of prescription medications that may interfere with the effectiveness of methadone and may present a physical risk to the individual.
- Repeated failure to follow through on other treatment and recovery plan related referrals. (Repeated failure should be considered on an individual basis and only after the OTP has taken steps to assist beneficiaries to comply with activities.)

The commission of acts by the beneficiary that jeopardize the safety and well-being of staff and/or other individuals, or negatively impact the therapeutic environment, is not acceptable and can result in immediate discharge. Such acts include, but are not limited to, the following:

- Possession of a weapon on OTP property.
- Assaultive behavior against staff and/or other individuals.
- Threats (verbal or physical) against staff and/or other individuals.
- Diversion of controlled substances, including methadone.
- Diversion and/or adulteration of toxicology samples.
- Possession of a controlled substance with intent to use and/or sell on agency property or within a one-block radius of the clinic.
- Sexual harassment of staff and/or other individuals.

- Loitering on the clinic property or within a one-block radius of the clinic.

Administrative discontinuation of services can be carried out by two methods:

- **Immediate Termination** - This involves the discontinuation of services at the time of one of the above safety-related incidents or at the time an incident is brought to the attention of the OTP.
- **Enhanced Tapering Discontinuation** - This involves an accelerated decrease of the methadone dose (usually by 10 mg or 10 percent a day). The manner in which methadone is discontinued is at the discretion of the OTP physician to ensure the safety and well-being of the beneficiary.

It may be necessary for the OTP to refer beneficiaries who are being administratively discharged to the local access management system for evaluation for another level of care. Justification for non-compliance termination must be documented in the beneficiary's chart.

The *Medicaid Provider Manual* further specifies Medical Necessity Criteria:

#### **2.5.A. Medical Necessity Criteria**

**Mental health, developmental disabilities, and substance abuse services** are supports, services and treatment:

- Necessary for screening and assessing the presence of a mental illness, developmental disability or substance use disorder; and/or
- Required to identify and evaluate a mental illness, developmental disability or substance use disorder; and/or
- Intended to treat, ameliorate, diminish or stabilize the symptoms of mental illness, developmental disability or substance use disorder; and/or
- Expected to arrest or delay the progression of a mental illness, developmental disability, or substance use disorder; and/or
- Designed to assist the beneficiary to attain or maintain a sufficient level of functioning in order to achieve his goals of community inclusion and participation, independence, recovery, or productivity.

### **2.5.B. Determination Criteria**

The determination of a medically necessary support, service or treatment must be:

- Based on information provided by the beneficiary, beneficiary's family, and/or other individuals (e.g., friends, personal assistants/aids) who know the beneficiary; and
- Based on clinical information from the beneficiary's primary care physician or health care professions with relevant qualifications who have evaluated the beneficiary; and
- For beneficiaries with mental illness or developmental disabilities, based on personal-centered planning, and for beneficiaries with substance use disorders, individuals treatment planning; and
- Made by appropriately trained mental health, developmental disabilities, or substance abuse professionals with sufficient clinical experience; and
- Made within federal and state standards for timeliness; and
- Sufficient in amount, scope and duration of the service(s) to reasonably achieve its/their purpose.

### **2.5.C. Supports, Services and Treatment Authorized by the PIHP**

Supports, services, and treatment authorized by the PIHP must be:

- Delivered in accordance with federal and state standards for the timeliness in a location that is accessible to the beneficiary; and
- Responsive to particular needs of multi-cultural populations and furnished in a culturally relevant manner; and
- Responsive to the particular needs of beneficiaries with sensory or mobility impairments and provided with the necessary accommodations; and
- Provided in the least restrictive, most integrated setting. In patient, licensed residential or other segregated settings shall be used only when less restrictive levels of treatment, service or supports have been, for that beneficiary, unsuccessful or cannot be safely provided; and
- Delivered consistent with, where they exist, available research findings, health care practice guidelines, best practices and standards of practice issued by professionally recognized organizations or government agencies.

## 2.5.D. PIHP Decisions

Using criteria for medical necessity, a PIHP may:

- Deny services that are:
  - Deemed ineffective for a given condition based upon professionally and scientifically recognized and accepted standards of care;
  - Experimental or investigational in nature; or
  - For which there exists another appropriate, efficacious, less-restrictive and cost-effective service, setting or support that otherwise satisfies the standards for medically-necessary services; and/or
- Employ various methods to determine amount, scope and duration of services, including prior authorization for certain services, concurrent utilization reviews, centralized assessment and referral, fate-keeping arrangements, protocols and guidelines.

A PIHP may not deny services based **solely** on preset limits of the cost, amount, scope, and duration of services. Instead, determination of the need for services shall be conducted on an individualized basis. [*Medicaid Provider Manual, Mental Health/Substance Abuse Section, April 1, 2013, pp. 12-14*].

The Department's witness testified that Petitioner continued to use illicit substances (marijuana, cocaine and opiates) despite being on methadone. Petitioner stated that he has recently been diagnosed with ADD and has just started Narcotics Anonymous meetings.

The Department provided sufficient evidence that its decision to cancel Petitioner from the OMT program, was proper and in accordance with Department policy. It is clear from the testimony of the Department's witnesses and the supporting documentation that the Petitioner engaged in continued noncompliance with the behavioral standards for the clinic where he was receiving her methadone treatment. Petitioner attended methadone dosing and continued using illicit substances simultaneously. Petitioner tested positive 20 times for illicit substances from [REDACTED] through [REDACTED]. Petitioner also was a no show for more than one appointment. The Department's agent documented numerous violations of the policy contained in the Medicaid Provider Manual, and the policies of Victory Clinical Services.

In Accordance with Michigan Department of Health and Human Services (formerly MDCH), "Enrollment Criteria for Methadone Maintenance and Detoxification Program",



the criteria allows for discharge/termination of a client for clinical noncompliance as repeated or continued use of one or more other drugs and/or alcohol that is prohibited by the beneficiary's treatment plan. (Enrollment Criteria for Methadone Maintenance and Detoxification Program, 1/1/2008 revision, page 6)

In accordance with MDCH Medicaid Provider Manual Section 12.2.F, Discontinuation/Termination Criteria, "beneficiaries may be terminated from services if there is clinical and or/behavioral non-compliance", pages 10-13. (Respondent's Exhibit A pages 9-11)

Petitioner continuously tested positive for illicit drugs. Petitioner was non-compliant with treatment. Petitioner's continued illicit drug use in conjunction with Methadone treatment is not safe.

The Department provided sufficient evidence that its decision to deny Petitioner from OMT was proper and in accordance with Department policy. Petitioner did not prove, by a preponderance of evidence that he complied with his outpatient methadone treatment program. The Department has established by the necessary competent, substantial and material evidence on the record that it was acting in compliance with Department policy and properly cancelled Petitioner's outpatient methadone treatment.

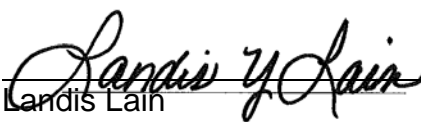
### **DECISION AND ORDER**

This Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that Respondent cancelled Petitioner's outpatient methadone treatment program.

### **IT IS THEREFORE ORDERED THAT:**

Respondent's decision is **AFFIRMED**.

LL ■



Landis Lain

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; Attention: MAHS Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30763  
Lansing, Michigan 48909-8139

**DHHS -Dept Contact**

[REDACTED]

**DHHS Department Rep.**

[REDACTED]

**Petitioner**

[REDACTED]