



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: [REDACTED]  
MAHS Docket No.: 16-003146  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Colleen Lack**

**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 Petitioner's request for a hearing.

After due notice, a hearing was held on [REDACTED]. [REDACTED], the Petitioner, appeared on her own behalf. [REDACTED], Appeals Coordinator, represented [REDACTED], the Medicaid Health Plan (MHP).

During the hearing proceedings, the MHP's Hearing Summary packet was admitted as Exhibit A, pp. 1-16.

**ISSUE**

Did the Medicaid Health Plan properly deny Petitioner's [REDACTED], request for a spinal cord stimulator?

**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 is enrolled in the Respondent MHP.

2. On [REDACTED], the MHP received a prior authorization request for a spinal cord stimulator with a procedure date of [REDACTED] (Exhibit A, pp. 1 and 3)
3. On [REDACTED], the MHP sent Petitioner's doctors' office a request for additional information, specifically clarification of CPT codes as well as clinical/office notes that are required for medical director review in order for a determination to be made. (Exhibit A, p. 4)
4. On [REDACTED], the MHP sent Petitioner's doctors' office a second request for additional information, specifically clarification of CPT codes as well as clinical/office notes that are required for medical director review in order for a determination to be made. (Exhibit A, p. 5)
5. On [REDACTED], the MHP sent Petitioner's doctors' office a third and final request for additional information, specifically clarification of CPT codes as well as clinical/office notes that are required for medical director review in order for a determination to be made. (Exhibit A, p. 6)
6. On [REDACTED], the MHP sent Petitioner and her doctor's office a denial notice, in part, stating that the prior authorization request was not authorized because the provided documentation did not include clinical/physician notes that are required for review. (Exhibit A, pp. 13-14)
7. On [REDACTED], Petitioner's Request for Hearing was received by the Michigan Administrative Hearing System. (Exhibit A, p. 16)

### **CONCLUSIONS OF LAW**

The Medical Assistance Program (MA) 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.

On May 30, 1997, the Department received approval from the Health Care Financing Administration, U.S. Department of Health and Human Services, allowing Michigan to restrict Medicaid beneficiaries' choice to obtain medical services only from specified Medicaid Health Plans.

The Respondent is one of those MHPs and, as provided in the Medicaid Provider Manual (MPM), is responsible for providing covered services pursuant to its contract with the Department:

The Michigan Department of Health and Human Services (MDHHS) contracts with Medicaid Health Plans (MHPs), selected through a

competitive bid process, to provide services to Medicaid beneficiaries. The selection process is described in a Request for Proposal (RFP) released by the Office of Purchasing, Michigan Department of Technology, Management & Budget. The MHP contract, referred to in this chapter as the Contract, specifies the beneficiaries to be served, scope of the benefits, and contract provisions with which the MHP must comply. Nothing in this chapter should be construed as requiring MHPs to cover services that are not included in the Contract. A copy of the MHP contract is available on the MDHHS website. (Refer to the Directory Appendix for website information.)

MHPs must operate consistently with all applicable published Medicaid coverage and limitation policies. (Refer to the General Information for Providers and the Beneficiary Eligibility chapters of this manual for additional information.) Although MHPs must provide the full range of covered services listed below, MHPs may also choose to provide services over and above those specified. MHPs are allowed to develop prior authorization requirements and utilization management and review criteria that differ from Medicaid requirements. The following subsections describe covered services, excluded services, and prohibited services as set forth in the Contract.

*MPM, January 1, 2016, version  
Medicaid Health Plans Chapter, p. 1*

The MPM addresses surgery:

## **SECTION 11 – SURGERY – GENERAL**

Medicaid covers medically necessary surgical procedures.

*MPM, January 1, 2016, version  
Provider Chapter, p. 43*

The MHP reviewed Petitioner's prior authorization request under the Apollo Managed Care Medical Review Criteria Guidelines (Apollo Criteria) for Managing Care for Dorsal Column Stimulators (DCS)/Spinal Cord Stimulation for Pain. (Exhibit A, pp. 7-12) As noted above, MHPs must operate consistently with all applicable published Medicaid coverage and limitation policies but are allowed to develop prior authorization requirements and utilization management and review criteria that differ from Medicaid requirements. The MHP's prior approval process is allowable. The MHP's consideration of Petitioner's prior authorization request under the relevant Apollo Criteria is consistent with the MPM policy to cover medically necessary surgical procedures.

In this case, the MHP denied Petitioner's [REDACTED], prior authorization request for a spinal cord stimulator because the provided documentation did not include clinical/physician notes that are required for review. (Exhibit A, pp. 13-14) Rather, the MHP only received the prior authorization request form. (Exhibit A, p. 3; Appeals Coordinator Testimony) There was no response to the MHP's [REDACTED], [REDACTED], requests for additional information. (Exhibit A, pp. 13-14) Accordingly, there was insufficient documentation to establish medical necessity for this prior authorization request, such as demonstration of a successful trial of stimulation. (See Exhibit A, pp. 8-9)

Petitioner disagrees with the denial and testified that the doctor's office indicated there were multiple prior authorization requests for the surgery performed on [REDACTED], and there was an approval the day prior to the surgery. Petitioner explained that she never would have gone through with the [REDACTED], surgery if she thought it was not approved. Petitioner noted that the MHP approved the trial stimulator on [REDACTED]. Petitioner also underwent the psychological testing and MRI as part of the process, which were approved by the MHP. Petitioner described having prior surgery on her foot, multiple physical therapy sessions, and the pain relief from the trial stimulator. Petitioner further testified that the [REDACTED], spinal cord stimulator surgery had to be repeated because the battery pack was not communicating. The second spinal cord stimulator surgery on [REDACTED], and it was approved. (Petitioner Testimony)

The Appeals Coordinator testified that the MHP only received one prior authorization request for the [REDACTED], surgery, which was received on [REDACTED]. Further, the Appeals Coordinator did not see any phone calls for approval for either surgery nor any claims for the [REDACTED] surgery. The Appeals Coordinator explained that the claims for the [REDACTED], surgery were denied because there was no authorization on file. (Appeals Coordinator Testimony)

Petitioner testified she has also had Medicare coverage since [REDACTED]. (Petitioner Testimony) Perhaps other prior authorization requests referenced by the doctor's office for the [REDACTED], spinal cord stimulator surgery were sent to Medicare.

Ultimately, the documentation submitted to the MHP for the [REDACTED], prior authorization request for the [REDACTED], spinal cord stimulator surgery was not sufficient to establish medical necessity. The MHP only received the prior authorization request form, and there were no clinical/physician notes included. Further, there was no response to the [REDACTED], requests for additional information. (Exhibit A, pp. 3 and 13-14; Appeals Coordinator Testimony) Accordingly, there was insufficient documentation to establish medical necessity for this prior authorization request, such as demonstration of a successful trial of stimulation. (See Exhibit A, pp. 8-9) Therefore, the determination to deny Petitioner's [REDACTED], prior authorization request for a spinal cord stimulator was proper based on the information submitted to the MHP.

**DECISION AND ORDER**

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, decides that the MHP properly denied Petitioner's [REDACTED], request for a spinal cord stimulator.

**IT IS, THEREFORE, ORDERED** that:

The Medicaid Health Plan's decision is **AFFIRMED**.

CL/cg



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**Colleen Lack**  
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]

**Petitioner**

[REDACTED]

**Community Health Rep**

[REDACTED]