



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

MARLON BROWN
DIRECTOR

[REDACTED]
MI [REDACTED]

Date Mailed: July 26, 2024
MOAHR Docket No.: 24-006366
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Robert J. Meade

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 Petitioner's request for a hearing.

After due notice, a hearing was held on July 25, 2024. [REDACTED] Petitioner appeared on his own behalf. Florence Scott-Emuakpor, Appeals Review Officer, represented the Department. Jacob Bisley-Cielen, Departmental Analyst, appeared as a witness for the Department.

ISSUE

Did the Department properly deny Petitioner's provider's prior authorization (PA) request for a capsule endoscopy?

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. (Exhibit A, p 13; Testimony)
2. On May 8, 2024, the Department received a PA request from Petitioner's provider for a capsule endoscopy for Petitioner. (Exhibit A, pp 16-34; Testimony)
3. The service date on the prior authorization request was January 30, 2023, or prior to the date of the PA. (Exhibit A, p 9; Testimony)
4. On May 17, 2024, the Department sent Petitioner and his provider a Notification of Denial, denying Petitioner's request because the services were performed prior to the provider obtaining a PA. (Exhibit A, pp 13-14; Testimony)
5. On June 11, 2024, the Michigan Office of Administrative Hearings and Rules received Petitioner's hearing request. (Exhibit A, pp 12-15)

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 Michigan Department of Health and Human Services (MDHHS) Medicaid Provider Manual states:

SECTION 9 - PRIOR AUTHORIZATION

9.1 GENERAL INFORMATION

There may be occasions when a beneficiary requires services beyond those ordinarily covered by Medicaid or needs a service that requires prior authorization (PA). In order for Medicaid to reimburse the provider in this situation, MDHHS requires that the provider obtain authorization for these services **before** the service is rendered. Providers should refer to their provider-specific chapter for PA requirements. (Refer to the Directory Appendix for contact information for PA.)

9.2.D. REIMBURSEMENT

Medicaid does not provide reimbursement if:

- PA was required but was not obtained.

Providers cannot charge the beneficiary or beneficiary's representative for the provider's failure to obtain PA. If the provider failed to obtain PA for a service and the service was rendered, they cannot apply their fee for that service in calculating other reimbursement due to them from Medicaid.

*Medicaid Provider Manual,
General Information for Providers
April 1, 2024, pp 26, 28-29
Emphasis added*

The Department witness testified that on May 8, 2024, the Department received a PA request from Petitioner's provider for a capsule endoscopy. The Department witness indicated that the requested service date on the prior authorization request was January 30, 2023, or prior to the request date of the PA. The Department witness testified that based on this, on May 17, 2024, he sent Petitioner and his provider a Notification of Denial, denying Petitioner's request because the services were performed prior to the provider obtaining a PA. The Department witness also noted that the provider cannot charge Petitioner for the services because the provider failed to timely submit a PA.

Petitioner testified that he was satisfied knowing that the provider could not bill him for the services. Petitioner was advised to keep the paperwork from this hearing in case the provider later tries to bill him for the services.

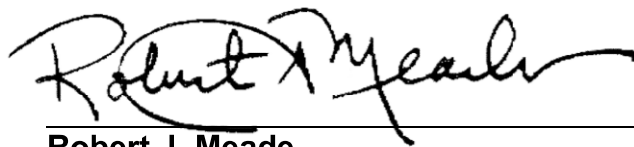
The Medicaid Provider Manual (MPM) specifies that, "There may be occasions when a beneficiary . . . needs a service that requires prior authorization (PA). In order for Medicaid to reimburse the provider in this situation, MDHHS requires that the provider obtain authorization for these services **before** the service is rendered." Policy also provides that "Medicaid does not provide reimbursement if: . . . PA was required but was not obtained. Finally, policy provides, "Providers cannot charge the beneficiary or beneficiary's representative for the provider's failure to obtain PA." Here, the prior authorization request was made on May 8, 2024 for a procedure that was performed on January 30, 2023. According to policy, the service could not be approved because it was performed prior to the provider obtaining a PA. **It should also be noted that the provider cannot charge Petitioner for the service because the provider performed the service before obtaining a PA.** Based on the submitted documentation, the Department's determination to deny coverage for a capsule endoscopy 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 Petitioner's provider's request for a capsule endoscopy based on the available information.

IT IS THEREFORE ORDERED that:

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

A handwritten signature in black ink, appearing to read "Robert J. Meade", written over a horizontal line.

Robert J. Meade
Administrative Law Judge

RM/sj

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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

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

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

PROOF OF SERVICE

I certify that I served a copy of the foregoing document upon all parties, to their last known addresses in the manner specified below, this 26th day of July 2024.

S. James

S. James

**Michigan Office of Administrative
Hearings and Rules**

Via Electronic Mail:

Agency Representative

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Via First Class Mail:

Petitioner

[REDACTED]

[REDACTED] MI [REDACTED]