[redacted]
[redacted] MI [redacted]

Date Mailed: January 15, 2025
MOAHR Docket No.: 24-012398
Agency No.: [redacted]
Petitioner: [redacted]

ADMINISTRATIVE LAW JUDGE: Steven Kibit

DECISION AND ORDER

This matter is before the Michigan Office of Administrative Hearings and Rules (MOAHR) and the undersigned Administrative Law Judge (ALJ) pursuant to MCL 400.9 and upon a request for a hearing filed by Petitioner [redacted] (Petitioner).

After due notice, a telephone hearing was held on December 18, 2024. Petitioner appeared and testified on his own behalf. Dustin Herring, Clinical Appeals Nurse, appeared and testified on behalf of Respondent HAP CareSource, a Medicaid Health Plan (MHP).

During the hearing, Petitioner's Request for Hearing was admitted into the record without objection as Exhibit #1, pages 1-7. Respondent also submitted seventeen (17) exhibits that were admitted into the record without objection as Exhibits A-Q, with the exhibits collectively numbered as pages 1-119. No other proposed exhibits were submitted.

ISSUE

Did Respondent properly deny Petitioner's request for continued inpatient hospitalization services?

FINDINGS OF FACT

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

1. On [redacted] 2024, Petitioner was admitted as an inpatient at Corewell Health William Beaumont University Hospital ("Corewell"). (Exhibit D, page 18).

2. His diagnoses in the hospital included hyponatremia; edema, unspecified type; alcohol use disorder; anasarca; hypoxia; acute hypoxic respiratory

failure; acute hypoxemic respiratory failure; QT prolongation; alcoholic cirrhosis of liver with ascites; hepatic encephalopathy; and decompensated hepatic cirrhosis. (Exhibit D, pages 11-12).

3. The hypoxic respiratory failure arose on July 11, 2024. (16)

4. Petitioner subsequently improved, and he was extubated on [redacted] 2024. (17)

5. On July 26, 2024, Respondent sent Petitioner written notice that it had approved a request for inpatient hospitalization for the period of [redacted] 2024, to [redacted] 2024. (Exhibit B, pages 4-7).

6. On July 30, 2024, Respondent received a request for a continued inpatient hospitalization for Petitioner. (Exhibit C, page 8).

7. The clinical documentation submitted along with that request indicated that Petitioner was still tube feeding and receiving treatment, but that he was hemodynamically stable; his acute kidney injury had improved; and he was compensated and on room air. (Exhibit D, pages 13, 16-17).

8. No continuing acute care was identified. (Exhibit A, page 17; Testimony of Respondent's representative).

9. Petitioner was receiving physical therapy and doing well there, but a longer course of therapy was anticipated, and the plan was to transfer him to Inpatient Rehab pending insurance approval and bed availability. (Exhibit D, pages 10, 31-33, 36).

10. On July 31, 2024, Respondent sent Petitioner a Notice of Adverse Benefit Determination stating that the request for a continued inpatient hospitalization had been denied. (Exhibit F, pages 47-53).

11. With respect to the reason for its decision, Respondent stated in part:

> We've denied the medical services/item listed below requested by you or your doctor. The request for inpatient continued stay cannot be approved. You are [redacted] years old. You were admitted to the hospital with complications of your liver disease. The request does not meet MCG guidelines. There is no record of you needing medicines through your veins. There is no record of you needing oxygen. You do not have low blood pressure or confusion. Your needs can be met at a lower level of care. Guidelines: MCG Liver Disease (M-570)

Exhibit F, page 47

12. On September 23, 2024, Petitioned requested an Internal Appeal with Respondent regarding that denial. (Exhibit H, pages 54-57).

13. As part that appeal, Petitioner reported that he was admitted to the hospital on an emergency basis, with no memory of even being admitted, based on findings made by the doctors. (Exhibit G, page 54).

14. In response, Respondent sent a Medical Record Request to Corewell for additional clinical information. (Exhibit I, pages 58-59).

15. No additional clinical information was received. (Testimony of Respondent's representative).

16. On October 18, 2024, Respondent sent Petitioner written notice that his Internal Appeal had been denied. (Exhibit M, pages 82-83).

17. With respect to the reason for its decision, Respondent stated in part:

> We denied your appeal for the service/item listed above because: The denial of the requested for an inpatient level of care is upheld. The reason for the decision is that the records do not show ongoing hemodynamic instability, ongoing mental status changes, ongoing need for oxygen above baseline or a failure of observation care. The care was appropriately given at an observation level.

Exhibit M, page 82

18. On November 14, 2024, MOAHR received the request for hearing filed by Petitioner in this matter regarding that decision. (Exhibit #1, pages 1-7).

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.

In 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 review criteria that differ from Medicaid requirements. The following subsections describe covered services, excluded services, and prohibited services as set forth in the Contract.
>
> **1.1 SERVICES COVERED BY MEDICAID HEALTH PLANS (MHPS) [Changes Made 4/1/24]**
>
> The following services must be covered by MHPS:
>
> * * *
>
> - Inpatient and outpatient hospital services

MPM, July 1, 2024 version
Medicaid Health Plan Chapter, page 1
(internal highlighting omitted)

Here, Respondent denied Petitioner's request for continued inpatient hospitalization services for Petitioner on [redacted] 2024 and thereafter.

In appealing that denial, Petitioner has the burden of proving by a preponderance of the evidence that the MHP erred. Moreover, the undersigned Administrative Law Judge is limited to reviewing Respondent's decision in light of the information that was available at the time the decision was made.

Given the above policy and evidence in this case, Petitioner has failed to satisfy his burden of proof and Respondent's decision must be affirmed.

While, pursuant to both its contract and the MPM, Respondent is allowed to provide services over and above those provided by MDHHS/Medicaid, Respondent is only required to provide services consistent with all applicable Medicaid coverage and limitation policies.

Here, as explained by Respondent's witness and demonstrated by its exhibit, Respondent has limited coverage to what is covered under MCG 28th Edition M-570 Clinical Guidelines, and it determined that the requested service in this case was not covered given the applicable policy and Petitioner's improved condition at the time of the request.

Moreover, Petitioner did not dispute Respondent's findings, and instead, only testified that he only did what the doctors told him to do. However, while Petitioner's testimony was credible, he did not show that a continued inpatient stay and services were medically necessary or proper.

Petitioner also expressed concern about being billed for the services and, while that is understandable, any dispute between Petitioner and the hospital is outside the scope of this case. The undersigned Administrative Law Judge would note that Respondent's representative testified that he contacted the hospital and was told that Petitioner has a balance of [redacted] The undersigned Administrative Law Judge would also note that the MPM limits the circumstances where a provider can bill a Medicaid beneficiary for services. *See* MPM, July 1, 2024 version, General Information for Providers Chapter, Section 10.[1]

Accordingly, given the record in this case, Respondent's decision must be affirmed.

[1] "If the beneficiary is enrolled in a MHP and the health plan did not authorize a service, and the beneficiary had prior knowledge that they were liable for the service. (It is the provider's responsibility to determine eligibility/enrollment status of each beneficiary at the time of treatment and to obtain the appropriate authorization for payment. Failure of the provider to obtain authorization does not create a payment liability for the beneficiary." MPM, July 1, 2024 version, General Information for Providers Chapter, page 31.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that Respondent properly denied Petitioner's request for continued inpatient hospitalization services.

IT IS, THEREFORE, ORDERED that:

Respondent's decision is **AFFIRMED**.

SK/sj

Steven Kibit

Steven Kibit
Administrative Law Judge

NOTICE OF APPEAL: Petitioner 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 15th day of January 2025.

S. James
Michigan Office of Administrative Hearings and Rules

Via Electronic Mail:

Community Health Representative
HAP Empowered
Attn: Vernal T Tiller, PhD, RN
P O Box 2578
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Arajend2@hap.org

DHHS Department Contact
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400 S. Pine Street, 7th Floor
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Via First Class Mail:

Petitioner
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