

Date Mailed: February 23, 2026

Docket No.: 25-010943

Case No.: [REDACTED]

Petitioner: [REDACTED]

DECISION AND ORDER

This matter is before 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 hearing filed on behalf of Petitioner [REDACTED] (Petitioner).

A telephone hearing was then scheduled for 9:00 a.m. on April 29, 2025. However, at the time set for hearing, Petitioner failed to appear for the hearing or to otherwise contact MOAHR with good cause for an adjournment.

The matter was then dismissed. However, on October 20, 2025, the dismissal was vacated.

After due notice, a telephone hearing was then held on January 29, 2026. [REDACTED], the minor Petitioner's mother, appeared and testified on Petitioner's behalf. No one appeared for Respondent Molina Healthcare (Respondent), and the hearing proceeded without it pursuant to MCL 24.272(1).¹

During the hearing, Petitioner's request for hearing was admitted into the record without objection as Exhibit #1, pages 1-4. No other proposed exhibits were submitted.

ISSUE

Did Respondent properly deny Petitioner's prior authorization request for an enclosed bed system?

FINDINGS OF FACT

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

1. Petitioner is a [REDACTED] Medicaid beneficiary enrolled with Respondent and who has been diagnosed with autism spectrum disorder. (Exhibit A, page 3; Testimony of Petitioner's representative).

¹ Respondent did contact MOAHR during the hearing, but never called into the conference line for the hearing. MOAHR also advised Respondent that it could request an adjournment if it had good cause for failing to appear, but no such request was filed.

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2. On January 10, 2025, a medical provider submitted a prior authorization to Respondent on Petitioner's behalf seeking an enclosed bed system for Petitioner. (Exhibit #1, page 3).
 3. On January 21, 2025, Respondent sent Petitioner written notice that her prior authorization request had been denied. (Exhibit A, page 3).
 4. On February 27, 2025, Petitioner filed an Internal Appeal, with Respondent regarding that denial. (Exhibit #1, page 2).
 5. On March 3, 2025, Respondent sent Petitioner written notice that her Internal Appeal had been denied. (Exhibit #1, pages 2, 4).
 6. On March 24, 2025, MOAHR received the request for hearing filed in this matter with respect to that decision. (Exhibit #1, pages 1-4).

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.

*MPM, January 1, 2025 version
Medicaid Health Plan Chapter, page 1
(Underline added for emphasis)*

Moreover, as provided in the notice of denial sent to Petitioner, Respondent's decision in this case was based on Section 2.12 of the Medical Supplier Chapter of the MPM. Specifically, that section states:

2.12 ENCLOSED BED SYSTEMS

Definition	An Enclosed Bed System includes the mattress, bed frame, and enclosure as one unit.
Standards of Coverage	An Enclosed Bed System may be covered if the following applies: <ul style="list-style-type: none">▪ There is a diagnosis/medical condition (e.g., seizure activity) which could result in injury in a standard bed, crib, or hospital bed; and▪ There are no economic alternatives to adequately meet the beneficiary's needs.
Documentation	The documentation must be less than six months old and include:

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	<ul style="list-style-type: none"> ▪ Diagnosis/medical condition requiring use of the bed and any special features (if applicable). ▪ Safety issues resulting from the medical condition and related to the need for an Enclosed Bed System. ▪ Other products or safety methods already tried without success (e.g., bumper pads/rails). ▪ Type of bed requested. ▪ Type of special features requested, if applicable.
Noncovered Conditions	Enclosed Bed Systems are not covered when the purpose is to restrain the beneficiary due to behavioral conditions, caregiver need or convenience, etc.
PA Requirements	PA is required for all Enclosed Bed Systems.
Payment Rules	The Enclosed Bed System is considered a purchase only item. For Youth Beds, refer to the Hospital Beds subsection of this chapter.

*MPM, January 1, 2025 version
Medical Supplier Chapter, page 57*

Here, Respondent denied Petitioner’s prior authorization request pursuant to the above policy.

In appealing that denial, Petitioner has the burden of proving by a preponderance of the evidence that the Respondent erred in denying her authorization request. Moreover, the undersigned ALJ 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 met that burden of proof, and Respondent’s decision must therefore be reversed.

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

And, given the language of the notices sent in this case, it appears that Respondent has limited its coverage of enclosed bed systems to what is consistent with all applicable Medicaid coverage and limitation policies, including Section 2.12 of the Medical Supplier Chapter of the MPM.

However, no one appeared from Respondent at the hearing to defend the decision or explain its grounds.

Petitioner's representative was present during the hearing, and she testified that Respondent's decision failed to address all the medical grounds for the enclosed bed system identified in the prior authorization request and its supporting documentation.

Moreover, as that testimony is uncontradicted, the undersigned ALJ finds it to be credible and persuasive, and he therefore finds that Respondent erred.

However, even with that error, the undersigned ALJ does not find that the requested enclosed bed system must be approved at this time. Given the limited record, including the complete lack of any medical documentation or even the prior authorization request itself, Petitioner did not demonstrate at this time that Petitioner meets all the applicable standards of coverage for the requested enclosed bed system.

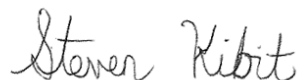
Accordingly, for the reasons discussed above, the undersigned ALJ will reverse Respondent's decision and order a reassessment.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that Respondent improperly denied Petitioner's prior authorization request.

IT IS, THEREFORE, ORDERED that:

- Respondent's decision is **REVERSED**, and it must initiate a reassessment of Petitioner's request for an enclosed bed system.



STEVEN KIBIT
ADMINISTRATIVE LAW JUDGE

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APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://rs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to LARA-MOAHR-DCH@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via First Class & Electronic Mail:

Respondent

MOLINA HEALTHCARE OF MICHIGAN

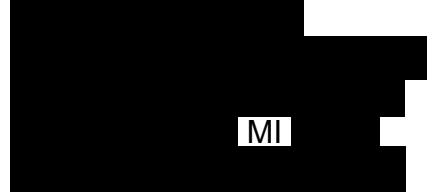
ATTN: TRACY EASTMAN

1201 WOODWARD AVE STE 900

DETROIT, MI 48226

TRACY.EASTMAN1@MOLINAHEALTHCARE.COM

Petitioner



Via Electronic Mail:

Department Contact

MDHHS-MANAGED CARE PLAN DIVISION

400 S PINE ST 7TH FL

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MDHHS-MCPD@MICHIGAN.GOV