

Date Mailed: December 15, 2025

Docket No.: 25-037068

Case No.: [REDACTED]

Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: COREY A. ARENDT

DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, 42 CFR 431.200 *et seq.* and 42 CFR 438.400 *et seq.* upon Petitioner's request for a hearing.

After due notice, a hearing was held on December 9, 2025. Petitioner appeared and testified on her own behalf. Calley Green appeared on behalf of Respondent, Senior Care Partners (Department). Julie Clark, Center Manager; and Molly Senne, Quality Care, appeared as witnesses for the Department.

Exhibits:

| | |
|------------|---------------------|
| Petitioner | None |
| Department | A – Hearing Summary |

ISSUE

Did Department properly deny Petitioner's request for a portable oxygen concentrator through the Program of All-Inclusive Care for the Elderly (PACE)?

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 [REDACTED] year-old participant enrolled in the Senior Care Partners PACE. (Exhibit A, p 17).
2. Petitioner has a diagnosis of chronic obstructive pulmonary disease (COPD), chronic respiratory failure with hypoxia, and dependence on supplemental oxygen. (Exhibit A, p. 29–30).
3. Petitioner currently uses 2–3 liters of oxygen via nasal cannula during moderate activity and when leaving her home. She has a concentrator, C tanks, E tanks, a backup tank, a conserving device, and an Inogen portable oxygen concentrator purchased prior to PACE enrollment. (Exhibit A, p 55).

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4. In May of 2025, Petitioner reported that her Inogen concentrator began malfunctioning, producing clicking noises and occasionally failing to turn on. She replaced the battery and columns and cleaned the filters, but the device remained unreliable. (Exhibit A, p 55).
 5. On August 12, 2025, Petitioner requested a new Inogen concentrator through the Service Determination Request (SDR) process. (Exhibit A, p 57).
 6. On August 15, 2025, the Interdisciplinary Team (IDT) denied the request, citing minimal differences in weight and battery life between the Inogen and C tanks with a conserving device. The IDT recommended continued use of C tanks, a home refill concentrator, and a crossbody bag for easier transport. (Exhibit A, pp 2, 58).
 7. Petitioner appealed the denial internally, stating that the Inogen would provide her peace of mind, allow her to travel more easily, and reduce her anxiety related to oxygen access. She emphasized her history of bipolar disorder and mobility limitations due to a bad knee. (Exhibit A, pp 54, 72–73).
 8. On October 1, 2025, the Internal Appeal Committee upheld the IDT’s denial, concluding that the C tanks met her oxygen needs and that Inogen rentals could be approved for short-term travel. (Exhibit A, pp 75–76).
 9. On October 13, 2025, Petitioner notified her MSW that she wished to pursue an external appeal. (Exhibit A, p 58).
 10. On October 21, 2025, the Michigan Office of Administrative Hearings and Rules received from Petitioner, a request for hearing. (Hearing File).
 11. On November 7, 2025, Petitioner reported that the home refill concentrator was “a pain,” and that she missed the convenience of plugging in her Inogen when leaving home. She declined additional refillable tanks at that time. (Exhibit A, p 74).

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.

PACE services are available as part of the Medicaid program:

The Program of All-Inclusive Care for the Elderly (PACE) is an innovative model of community-based care that enables elderly individuals, who are

certified by their state as needing nursing facility care, to live as independently as possible.

PACE provides an alternative to traditional nursing facility care by offering pre-paid, capitated, comprehensive health care services designed to meet the following objectives:

- Enhance the quality of life and autonomy for frail, older adults;
- Maximize the dignity of, and respect for, older adults;
- Enable frail, older adults to live in the community as long as medically and socially feasible; and
- Preserve and support the older adult's family unit.

The PACE capitated benefit was authorized by the Balanced Budget Act of 1997 and features a comprehensive service delivery system with integrated Medicare and Medicaid financing.

An interdisciplinary team, consisting of professional and paraprofessional staff, assesses beneficiary needs, develops a plan of care, and monitors delivery of all services (including acute care services as well as nursing facility services, when necessary) within an integrated system for a seamless provision of total care. Typically, PACE organizations provide social and medical services in an adult day health center supplemented by in-home and other services as needed.

The financing model combines payments from Medicare and Medicaid, allowing PACE organizations to provide all needed services rather than be limited to those reimbursable under the Medicare and Medicaid fee-for-service systems. PACE organizations assume full financial risk for beneficiary care without limits on amount, duration, or scope of services.

Physicians currently treating Medicaid patients who are in need of nursing facility care may consider PACE as an option. Hospital discharge planners may also identify suitable candidates for referral to PACE as an alternative to a nursing facility. (Refer to the Directory Appendix for PACE contact information.)

SECTION 2 – SERVICES

The PACE organization becomes the sole source of services for Medicare and Medicaid beneficiaries who choose to enroll in a PACE organization.

The PACE organization is able to coordinate the entire array of services to older adults with chronic care needs while allowing elders to maintain independence in the community for as long as possible. The PACE

service package must include all Medicare and Medicaid covered services, in addition to other services determined necessary by the interdisciplinary team for the individual beneficiary. Services must include, but are not limited to:

- Adult day care that offers nursing, physical, occupational and recreational therapies, meals, nutritional counseling, social work and personal care
- All primary medical care provided by a PACE physician familiar with the history, needs and preferences of each beneficiary, all specialty medical care, and all mental health care
- Interdisciplinary assessment and treatment planning
- Home health care, personal care, homemaker and chore services
- Restorative therapies
- Diagnostic services, including laboratory, x-rays, and other necessary tests and procedures
- Transportation for medical needs
- All necessary prescription drugs and any authorized over-the-counter medications included in the plan of care
- Social services
- All ancillary health services, such as audiology, dentistry, optometry, podiatry, speech therapy, prosthetics, durable medical equipment, and medical supplies
- Respite care
- Emergency room services, acute inpatient hospital and nursing facility care when necessary
- End-of-Life care¹

The issue in this matter is whether the denial of a new Inogen Portable Oxygen Concentrator by the PACE Interdisciplinary Team (IDT) was appropriate under applicable Medicaid policy and program standards.

The record reflects that Petitioner is oxygen-dependent and currently uses a combination of equipment including a concentrator, C tanks, E tanks, and a previously

¹ Medicaid Provider Manual, Program of All-Inclusive Care for the Elderly, October 1, 2025, pp 1-2.

owned Inogen device. The Inogen device began malfunctioning in May 2025 and was deemed too old to repair affordably. Petitioner requested a replacement, citing mobility limitations, anxiety related to oxygen access, and the convenience of the Inogen's portability and battery life.

The IDT reviewed the request and determined that the differences in weight and battery life between the Inogen and the C tanks with a conserving device were minimal. The team recommended continued use of C tanks, a home refill concentrator, and a crossbody bag to facilitate transport. The Internal Appeal Committee upheld this decision, noting that the recommended equipment met Petitioner's medical needs, and that Inogen rentals could be approved for short-term travel.

While Petitioner expressed that the Inogen would improve her quality of life and reduce anxiety, the standard for Medicaid coverage requires that services and equipment be medically necessary and cost-effective. The IDT's decision was based on a clinical assessment of her needs and available alternatives.

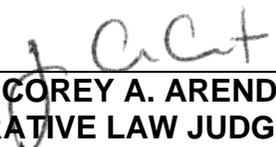
Therefore, the denial of the requested equipment was consistent with the responsibilities of the PACE program to provide medically necessary services; and the decision to offer alternative equipment was reasonable and supported by the record.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that Department properly denied Petitioner's request.

IT IS THEREFORE ORDERED that:

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



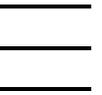
COREY A. ARENDT
ADMINISTRATIVE LAW JUDGE

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://irs.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 MOAHR-BSD-Support@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.



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