



State of West Virginia  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
Office of Inspector General  
Board of Review  
2699 Park Avenue, Suite 100  
Huntington, WV 25704

Joe Manchin III  
Governor

Martha Yeager Walker  
Secretary

June 7, 2006

\_\_\_\_ by \_\_\_\_

\_\_\_\_  
\_\_\_\_

Dear Mr. \_\_\_\_:

Attached is a copy of the findings of fact and conclusions of law on your hearing held June 5, 2006. Your hearing request was based on the Department of Health and Human Resources' action to deny Medicaid coverage for a hospital bed.

In arriving at a decision, the State Hearings Officer is governed by the Public Welfare Laws of West Virginia and the rules and regulations established by the Department of Health and Human Resources. These same laws and regulations are used in all cases to assure that all persons are treated alike.

Eligibility for the Medicaid Program is based on current policy and regulations. Some of these regulations state as follows: the DME/Medical Supply Provider must contact WVMI to obtain PA number before services are rendered (Medicaid Chapter 500-4 Section 502.2) and if items and/or services provided before PA is confirmed, the DME will not be reimbursed (Medicaid Chapter 500-7 Section 505).

The information which was submitted at your hearing revealed that the hospital bed was placed and billed for by the provider (\_\_\_\_ Medical Equipment, Inc.) before prior authorization was requested from WV Medical Institute (WVMI) for Medicaid coverage.

It is the decision of the State Hearings Officer to uphold the action of the Department to deny Medicaid coverage for a hospital bed.

Sincerely,

Thomas M. Smith  
State Hearing Officer  
Member, State Board of Review

cc: Erika H. Young, Chairman, Board of Review  
Patricia Woods, Bureau for Medical Services  
Paula Clark, WVMI

**WEST VIRGINIA DEPARTMENT OF HEALTH & HUMAN RESOURCES  
BOARD OF REVIEW**

\_\_\_\_,

**Claimant,**

v.

**Action Number: 06-BOR-1584**

**West Virginia Department of  
Health and Human Resources,**

**Respondent.**

**DECISION OF STATE HEARING OFFICER**

**I. INTRODUCTION:**

This is a report of the State Hearing Officer resulting from a fair hearing concluded on June 5, 2006 for \_\_\_\_\_. This hearing was held in accordance with the provisions found in the Common Chapters Manual, Chapter 700 of the West Virginia Department of Health and Human Resources. This fair hearing was convened as a telephone conference hearing at claimant's request on June 5, 2006 on a timely appeal, filed March 21, 2006.

It should be noted here that the claimant's benefits have been denied pending a hearing decision.

**II. PROGRAM PURPOSE:**

The Program entitled Medicaid is set up cooperatively between the Federal and State governments and administered by the West Virginia Department of Health & Human Resources. The 1965 Amendments to the Social Security Act established, under Title XIX, a Federal-State medical assistance program commonly known as Medicaid. The Department of Health and Human Resources administers the Medicaid Program in West Virginia in accordance with Federal Regulations. The Bureau for Medical Services is responsible for development of regulations to implement Federal and State requirements for the program. The Department of Health and Human Resources processes claims for reimbursements to providers participating in the program.

**III. PARTICIPANTS:**

1. \_\_\_\_\_, Claimant's husband & representative.
2. Patricia Woods, Nurse Administrator, Bureau for Medical Services.
3. Virginia Evans, Claims Representative, Bureau for Medical Services.
4. Paula Clark, R. N., WV Medical Institute (WVMI).

Presiding at the Hearing was Thomas M. Smith, State Hearing Officer and a member of the State Board of Review.

#### **IV. QUESTIONS TO BE DECIDED:**

The question to be decided is whether the Department took the correct action to deny Medicaid coverage for a hospital bed.

#### **V. APPLICABLE POLICY:**

Medicaid Regulations Chapter 500-4, Section 502.2.  
Medicaid Regulations Chapter 500-7, Section 505.

Medicaid Regulations Chapter 500-12, Attachment I, Covered/non-covered DME Medicaid Supply Services with Assigned HCPCS Codes, effective May 1, 2005.

#### **VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:**

##### **Department's Exhibits:**

- A Copy of Physician Certification of Medical Necessity 7-27-05.
- B1 Copy of WVMI DME Report.
- B2 Copy of request for additional information (2 pages)
- B3 Copy of WVMI DME Report denying request 8-22-05 and notification of denial dated 8-23-05 (3 pages)
- C1 Copy of second request and certificate of medical necessity 2-23-06 (3 pages).
- C2 Copy of WVMI DEM Report denying request 3-2-06.
- C3 Copy of second denial letter dated 3-3-06 to claimant.
- C4 Copy of second denial letter dated 3-3-06 to provider (2 pages).
- D Copy of regulations (4 pages).

#### **VII. FINDINGS OF FACT:**

- 1) A request for authorization for Medicaid coverage for a hospital bed was submitted for the claimant by [REDACTED] DO and [REDACTED] Medical Group on 7-27-05 (Exhibit #A).
- 2) The request was denied on 8-23-05 (Exhibit #B3) after additional information (Exhibit #B2) was requested from the provider [REDACTED] Medical Equipment Inc.) and no additional information was received and notification of denial was issued in writing on 8-23-05 (Exhibit #B3).

- 3) A second request was received on 2-23-06 but was denied as the hospital bed had already been placed in the home and billed for without prior authorization (PA) being obtained from WVMI (C2).
- 4) Notification of denial of the second request was issued to the claimant (Exhibit #C3) and the provider (Exhibit #C4) on 3-3-06.
- 5) Ms. Woods testified that regulations in Medicaid Chapter 500-4, Section 502.2 #13 require that the provider contact WVMI to obtain a PA number before services are rendered and that Medicaid Chapter 500-7, Section 505 states that if the item is provided before PA is confirmed, the DME will not be reimbursed. Ms. Woods testified that the hospital bed has been covered by Medicaid by mistake and that the Department intends to seek recoupment from the provider.
- 6) Ms. [REDACTED] testified that the bed was placed in February, 2005 but a request for Medicaid coverage was not received until July, 2005 and that prior authorization was not obtained.
- 7) Mr. \_\_\_\_ testified that his wife needs the bed, that both hips and knees need replaced, that her care should come first and she should not be punished because someone else made a mistake, that she uses the bed daily as it is downstairs and it is difficult to get her upstairs.
- 8) Medicaid Regulations from Chapter 500-4, Section 502.2 states, in part:  

“The DME/Medical Supply Provider must:  
(13) contact WVMI to obtain PA number before services are rendered.”
- 9) Medicaid Regulations from Chapter 500-7, Section 505 states, in part:  

“PRIOR AUTHORIZATION

For DME services and items requiring review for medical necessity by WVMI, it is the responsibility of the prescribing practitioner to submit the appropriate form to WVMI The Authorization Form must be renewed at the end of the prescription period specified or within one (1) year whichever comes first. If items and/or services provided before the PA is confirmed, the DME will not be reimbursed. PA does not guarantee payment. Refer to Attachment I for specific DME/medical supplies requiring PA and service limits for covered services.”
- 10) Medicaid Regulations in Chapter 500-12, Attachment I, Covered/non-covered DME Medical Supply Services with Assigned HCPCS Codes states, in part”

“HCPCS Codes	Description	Special Instructions
E0260	Hospital Bed, semi-electric	Prior Authorization”

- 11) The area of dispute involves whether the regulations prevent coverage of the hospital bed by the Medicaid Program. The evidence and testimony clearly show that the hospital bed was placed in the home before the provider requested prior authorization.

**VIII. CONCLUSIONS OF LAW:**

- 1) Regulations from Medicaid Chapter 500-4 Section 502.2 clearly state that the medical supply provider must contact WVMI to obtain a PA Number before services are rendered. The hospital bed was placed in the home on 2-23-05 and the request for Medicaid prior authorization was made on 7-28-05, after the bed had been placed in the home.
- 2) Regulations from Medicaid Chapter 500-7 Section 505 clearly state that if an item or service is provided before the PA is confirmed, the DME will not be reimbursed. The provider is not entitled to be reimbursed since placement occurred prior to receipt of the request for PA by WVMI.
- 3) Regulations in Medicaid Chapter 500-12 Attachment I clearly state that prior authorization is required for a hospital bed. Prior authorization was not requested prior to the item being provided to the claimant.

**IX. DECISION:**

It is the decision of the State Hearing Officer that the Department took the correct action to deny Medicaid coverage for a hospital bed.

**X. RIGHT OF APPEAL:**

See Attachment

**XI. ATTACHMENTS:**

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

**ENTERED this 7th Day of June, 2006.**

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**Thomas M. Smith  
State Hearing Officer**