State of West Virginia
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Office of Inspector General
Board of Review
P. O. Box 6165
Wheeling, WV 26003

Joe Manchin III
Governor

Martha Yeager Walker
Secretary

September 27, 2007

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_____
_____

Dear Ms. _____

Attached is a copy of the findings of fact and conclusions of law on your hearing held September 13, 2007. Your hearing request was based on the Department of Health and Human Resources' decision to deny Medicaid payment for a Left Total Knee Arthroplasty.

In arriving at a decision, the State Hearing 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 Medicaid services is based on current policy and regulations. Some of these regulations state that inpatient services are primarily for treatment indicated in the management of acute or chronic illness, injury, impairment, or for maternity care. The member's hospital records and the hospitals' utilization review mechanism must document that the care and services rendered are medically necessary. The 2007 – Procedures Criteria found on InterQual Smart Sheet is used to determine the medical appropriateness of health care services. If the individuals fails to meet the procedural indications criteria during the nurses' review, the request is forwarded to a physician reviewer to determine medical appropriateness. (WHDHHR Medicaid Policy Manual, Chapter 504.1 and Inter Qual Smart Sheets 2007 – Procedures Criteria)

The information presented at your hearing reveals that prior authorization for payment of a left total knee arthroplasty was not approved because your condition did not meet the InterQual initial procedure indications criteria and the information provided by your physician was not adequate to justify the need for the procedure.

It is the decision of the State Hearing Officer to **uphold** the action of the Department in denying your request for prior authorization of Medicaid coverage for a left total knee arthroplasty.

Sincerely,

Melissa Hastings
State Hearing Officer
Member, State Board of Review

cc: Erika H. Young, Chairman, Board of Review
Evelyn Whidby, BMS

WEST VIRGINIA DEPARTMENT OF HEALTH & HUMAN RESOURCES
BOARD OF REVIEW

_____,

Claimant,

v. **Action Number: 07-BOR-1729**

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 September 13, 2007 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 on September 13, 2007 on a timely appeal filed July 31, 2007.

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:

_____, Claimant
_____, Claimant's cousin and representative
JoAnn Ranson, RN, BMS
Pat Woods, RN, BMS
Oretta Kinney, RN, WVMI
Presiding at the hearing was Melissa Hastings, State Hearing Officer and a member of the State Board of Review.
All parties participated telephonically.

IV. QUESTIONS TO BE DECIDED:

The question(s) to be decided is whether the Department was correct in its decision to deny prior authorization (PA) for Medicaid payment for a left total knee arthroplasty for the claimant.

V. APPLICABLE POLICY:

WVDHHR Medicaid Policy Manual, Chapter 500-4 & InterQual SmartSheets 2007 - Procedures Criteria

VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:

Department's Exhibits:

D-1 BMS Provider Manual Chapter 504.1
D-2 WVMI Medicaid Prior Authorization Form dated 05-14-2007 with attached medical records
D-3 Office Notes and Diagnostic Procedures Report from [redacted] MD
D-4 InterQual Smart Sheets – Procedures Criteria for Total Joint Replacement, Knee (3 pages)
D-5 Notice of Denial dated 05-21-2007 to claimant
D-6 Notice of Denial dated 05-21-2007 to [redacted] MD
D-7 Notice of Denial dated 05-21-2007 to [redacted]

VII. FINDINGS OF FACT:

1) On May 14, 2007 the claimant's physician Dr. [redacted] submitted a request to the Department for prior approval for a left total knee arthroplasty. (D2) Attached to the request were 4 pages of office notes and a 3 page diagnostic imaging report dated May 25, 2004 (D3) of an MRI of the left knee.

2) Evidence presented by the Department reveals that prior authorization is required for Medicaid payment for inpatient services. West Virginia Medical Institute (WVMI) is the agency

contracted to review prior authorization requests and determine eligibility. The prior authorization request was reviewed by RN Ranson utilizing InterQual Smart Sheets Procedures Criteria and the determination was made that the claimant did not meet all of the clinical indications (100 through 500 on Exhibit D-4) for approval. Testimony from RN Ranson indicates that she evaluated the request under the criteria for Osteoarthritis as claimant's diagnosis listed on the physician's request was degenerative disease of the left knee. The documentation provided failed to establish that claimant's condition met all the necessary criteria listed on the InterQual Smart Sheets. RN Ranson referred the prior authorization request to physician review and the decision was made that the documentation submitted did not contain adequate medical history for the proposed surgery.

3) A Notice of Denial was issued to the claimant (D5), physician (D6) and hospital (D7) on May 21, 2007 indicating that

> Acute Inpatient – Documentation provided does not indicate medical necessity – specifically:
> The InterQual Surgical criteria was not met. The documentation provided did not support the need for the procedure requested. The reviewing physician felt that there was inadequate history for the proposed surgery on the left knee.

Testimony from RN, Ranson indicates that there was no reconsideration request submitted by the physician in response to the notification letter.

4) Claimant's representative indicates that Claimant is currently taking pain medication Loratab and Tylenol as she cannot take NSAIDS. Claimant had a new MRI completed on the left knee in June which could provide the agency with more proof of the need for the surgery. Claimant had the right knee replaced a few years ago and now needs the left one replaced.

5) WVDHHR Medicaid Policy Manual, Chapter 504 (D1), provides Authorization Requirements For Hospital Inpatient Services and in particular Acute Care Hospital Inpatient Services and states:

> The WV Medicaid Program reimburses hospitals for medically necessary inpatient services provided to eligible members within coverage limitations in effect on the date of service.
>
> Inpatient services are primarily for treatment indicated in the management of acute or chronic illness, injury, impairment or for maternity care. The member's hospital records and the hospital's utilization review mechanism must document that the care and services were medically necessary; that the services rendered could only be provided on an inpatient basis; and that the services rendered were necessary for each day of inpatient care billed to the program.
>
> Prior authorization must be obtained from West Virginia Medical Institute (WVMI) prior to the provision of the service. Failure to obtain prior authorization will result in denial of the service; the Medicaid member cannot be billed for failure to receive authorization for these services.

6) InterQual SmartSheets 2007 – Procedures Criteria, provides screening guidelines for medical appropriateness of healthcare services. This document provides a list of Indications (100 through 500 for Total Joint Replacement, Knee) that must be met in order to receive prior authorization. Directly below the listed "Indications," this form states – "Indication Not Listed (provided clinical justification below)."

VIII. CONCLUSIONS OF LAW:

1) WVDHHR Medicaid Policy Manual states that prior authorization (PA) is required on all inpatient services that include Acute Care Hospital. Failure to obtain prior authorization will result in denial of the services. The 2007 – Procedures Criteria found on the InterQual SmartSheet is used to determine the medical appropriateness of health care services. If the individual fails to meet the clinical indications criteria during the nurse's review, the request is forwarded to a physician reviewer to determine medical appropriateness.

2) The evidence reveals that the Department (through WVMI) received a request for prior authorization (PA) of Medicaid payment for a left total knee arthroplasty. Because the information provided by the referring physician did not meet all of the clinical indications criteria for approval, the request was sent to a physician reviewer to determine medical necessity. The physician reviewer found that the request did not include an adequate medical history to justify the procedure.

IX. DECISION:

It is the ruling of the State Hearing Officer to **uphold** the Department's decision to deny prior authorization of Medicaid payment for a left total knee arthroplasty.

X. RIGHT OF APPEAL:

See Attachment

XI. ATTACHMENTS:

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

ENTERED this 27th Day of September, 2007.

_____

Melissa Hastings
State Hearing Officer