



State of West Virginia  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
Office of Inspector General  
Board of Review  
P. O. Box 2590  
Fairmont, WV 26555

Joe Manchin III  
Governor

Martha Yeager Walker  
Secretary

October 11, 2007

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

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

Attached is a copy of the findings of fact and conclusions of law on your hearing held October 10, 2007. Your hearing request was based on the Department of Health and Human Resources' decision to deny prior authorization for Medicaid payment of a Magnetic Resonance Imaging (MRI) of the Lumbar Spine.

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 prior authorization (PA) is required on all outpatient radiological services that include Magnetic Resonance Imaging (MRI). Prior authorization requirements governing the provisions of all West Virginia Medicaid services will apply pursuant to Chapter 300 General Provider Participation Requirements, provider manual. It is the responsibility of the ordering provider to obtain the prior authorization. Failure to obtain prior authorization will result in denial of the services. The 2007 – Imaging Criteria found on InterQual Smart Sheet 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. (WVDHHR Medicaid Policy Manual, Chapter 500-8, & InterQual SmartSheet 2007 – Imaging Criteria)

The information presented at your hearing reveals that prior authorization for Medicaid payment of a MRI was not approved because there was insufficient documentation to meet InterQual eligibility criteria.

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 MRI.

Sincerely,

Thomas E. Arnett  
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-1813**

**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 October 11, 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 October 10, 2007 on a timely appeal filed July 11, 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  
Evelyn Whidby, Observing  
Stacey Hanshaw, RN, BMS  
Debbie Pauley, RN, WVMi

Presiding at the hearing was Thomas E. Arnett, 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 of a Magnetic Resonance Imaging (MRI) of the Lumbar Spine.

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

WVDHHR Medicaid Policy Manual, Chapter 500-8 & InterQual SmartSheets 2007 - Imaging Criteria

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

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

- A WVDHHR Medicaid Manual (Hospital Manual), Chapter 500, Section 508.1 – Item 3 (page 1).
- B-1 Information received from [REDACTED] MD (pages 2-8)
- B-2 InterQual SmartSheets – 2007 Imaging Criteria WVMi (pages 9-11)
- C Notice of Denial Determination by WVMi (pages 12-14)

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

- 1) On or about June 14, 2007, the Claimant, the Claimant's physician and service provider were notified via a Notice of Denial (Exhibit C) that the Claimant's request for prior authorization (PA) for Medicaid payment of a MRI of the lumbar spine was denied. The reason for denial is as follows:

The requested MRI of the lumbar spine was denied due to not meeting Interqual criteria. A complete neurological and physical evaluation, along with what conservative treatment was done and the outcomes of the treatment, was not received.

This notice goes on to say-

**Reconsideration:** “If you do not agree with this decision, you may request a reconsideration of this determination. To exercise this right, a written request and supporting documentation must be submitted to WVMI within 60 days of receipt of this notice. WVMI will complete the reconsideration within 30 working days of the request.” This section of the notice concludes with information regarding where to send the reconsideration request and additional medical documentation.

- 2) The evidence reveals that prior authorization (PA) is required for Medicaid payment of a MRI. West Virginia Medical Institute (WVMI) is the agency contracted to review PA requests and determine eligibility. The Claimant’s request (Exhibit B-1) was reviewed by the WVMI RN and the determination was made that the Claimant did not meet the clinical indications required for approval. The Claimant’s request was forwarded to the WVMI physician reviewer who concluded that there was insufficient medical documentation for PA of Medicaid payment of the MRI. As indicated in the Notice of Denial, the request for PA failed to include a complete neurological and physical evaluation as well as documentation regarding conservative treatment results. The Department noted that the Claimant’s physician was notified of the denial (Exhibit C) and a request for reconsideration was not received.
- 3) The Claimant testified that he suffered a back injury (herniated disc) a long time ago and that he is suffering from low back pain, numbness in his toes and left leg weakness. He has tried pain pills and muscle relaxers but he indicated “it does not do much good for me.” The Claimant did state that he has not tried physical therapy.
- 4) WVDHHR Medicaid Policy Manual, Chapter 508.1 – Item 3, provides Prior Authorization Requirements For Outpatient Services and states, in pertinent part:

Effective 10/01/05, prior authorization will be required on all outpatient radiological services that include Computerized Tomography (CT), Magnetic Resonance Angiography (MRA), Magnetic Resonance Imaging (MRI), Positron Emission Tomography Scans (PET), and Magnetic Resonance Cholangiopancreatography (MRCP). Prior authorization requirements governing the provisions of all West Virginia Medicaid services will apply pursuant to Chapter 300 General Provider Participation Requirements, provider manual. Diagnostic services required during an emergency room episode will not require prior authorization. It is the responsibility of the ordering provider to obtain the prior authorization. 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.

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.

- 5) InterQual SmartSheets 2007 – Imaging Criteria, provides screening guidelines for medical appropriateness of healthcare services. This document provides a list of Clinical Indications (100 through 1100) that must be met in order to receive PA (i.e. conservative treatments, physical / neurological evaluation results). 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 outpatient radiological services that include Magnetic Resonance Imaging (MRI). Failure to obtain prior authorization will result in denial of the service. The 2007 – Imaging 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 PA of Medicaid payment for a MRI. Because the Claimant’s medical condition did not meet the clinical indications criteria for approval, the request was sent to a physician reviewer to determine medical necessity. The physician reviewer was unable to find clinical justification, as indicated in the June 14, 2007 denial notice, and appropriately denied the Claimant’s request for PA.

#### **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 MRI of the lumbar spine.

#### **X. RIGHT OF APPEAL:**

See Attachment

#### **XI. ATTACHMENTS:**

The Claimant’s Recourse to Hearing Decision

Form IG-BR-29

**ENTERED this 11<sup>th</sup> Day of October, 2007.**

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**Thomas E. Arnett  
State Hearing Officer**