



State of West Virginia
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Office of Inspector General
Board of Review
P. O. Box 970
Danville, WV 25053

Joe Manchin III
Governor

Martha Yeager Walker
Secretary

December 19, 2007

Dear Ms. _____:

Attached is a copy of the findings of fact and conclusions of law on your hearing held November 14, 2007. Your hearing request was based on the Department of Health and Human Resources' decision to deny Medicaid payment for a MRI of the Left Shoulder.

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. Failure to obtain prior authorization will result in denial of the services. The 2006 – 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 SmartSheets 2006 – Imaging Criteria)

The information presented at your hearing reveals that prior authorization for payment of a MRI of the Left Shoulder was not approved because the procedure had already been performed before the request was made.

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 of the Left Shoulder.

Sincerely,

Cheryl McKinney
State Hearing Officer
Member, State Board of Review

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

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

_____,

Claimant,

v.

Action Number: 07-BOR-2122

**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 November 14, 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 November 14, 2007 on a timely appeal filed August 15, 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, participating by telephone

Stacy Hamilton, BMS, participating by telephone

Lisa Goodall, RN with WVMI, participating by telephone

Presiding at the hearing was Cheryl McKinney, State Hearing Officer and a member of the State Board of Review.

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 MRI of the Left Shoulder.

V. APPLICABLE POLICY:

WVDHHR Medicaid Policy Manual, Chapter 500-8 & InterQual SmartSheets 2006 - Imaging Criteria

VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:

Department's Exhibits:

D-1 WVDHHR Medicaid Manual Chapter 500, Section 508.1, Item #3

D-2 Information from Medical Doctor / InterQual Smart Sheets/WVMI Request Form

D-3 Notice of Denials dated July 9, 2007/ Denial letter

Claimant's Exhibits:

None

VII. FINDINGS OF FACT:

- 1) On or about July 9, 2007, the Claimant was notified via a Notice of Denial (D-3) that her request for prior authorization (PA) for Medicaid payment of a MRI of the Left Shoulder was denied. The reason for denial is as follows:

No Pre-Authorization was obtained. MRI of the Left Shoulder.

This is a retrospective review with a date of service of 3/02/2007. The request for authorization was received on 6/27/2007. According to WV Medicaid policies, the above outpatient or observation study must be preauthorized.

- 2) Evidence presented by the Department reveals that 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 (D-2) was reviewed by West Virginia Medical Institute (WVMI) and the determination was made that the service had already been performed prior to the request for authorization, and thus was denied. The MRI in question was completed on March 2, 2007, but the request for authorization was not submitted until June 27, 2007. The patient is not responsible for payment.
- 4) WVDHHR Medicaid Policy Manual, Chapter 508.1 – Item 3, provides prior Authorization Requirements For Outpatient Services and states:

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.

Critical Access Hospitals (CAHs) who have chosen encounter, as well as those who bill Fee For Service, must obtain a prior authorization for certain diagnostic imaging testing. Reimbursement for diagnostic imaging services are considered part of the encounter and cannot be billed separately. CAHs will be required to obtain a PA from WVMI and document this information in the patient's medical record for audit purposes.

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 2006 – Imaging Criteria, provides screening guidelines for medical appropriateness of healthcare services. This document provides a list of Clinical Indications (100 through 700) that must be met in order to receive PA. 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 Computerized Tomography (CT). Failure to obtain prior authorization will result in denial of the services. The 2006 – 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 from the Claimant's physician for prior authorization (PA) of Medicaid payment for a MRI of the Left Shoulder. The information submitted (D-2) showed that the MRI was completed prior to the authorization being requested. Policy is clear in that prior authorization is required for this type of service. The Department was correct in its decision to deny the prior authorization request.

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 Left Shoulder.

X. RIGHT OF APPEAL:

See Attachment

XI. ATTACHMENTS:

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

ENTERED this 20th day of December, 2007

**Cheryl McKinney
State Hearing Officer**