



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

June 11, 2007

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

Dear Ms. \_\_\_\_\_:

Attached is a copy of the findings of fact and conclusions of law on your hearing held March 22, 2007. Your hearing request was based on the Department of Health and Human Resources' decision to deny Medicaid payment for a CT Scan.

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 Computerized Tomography (CT) Scans. 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 CT Scan was not approved because the information your physician submitted does not meet the InterQual initial clinical indications criteria and there was insufficient documentation for the physician reviewer to determine medical appropriateness.

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 CT Scan.

Sincerely,

Cheryl McKinney  
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,**

**Action Number: 07-BOR-578**

**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 March 22, 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 March 22, 2007 on a timely appeal filed November 1, 2006.

## 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  
Pat Woods, BMS, participating by telephone  
Cathy Montali, 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 of a Computerized Tomography (CT) Scan.

### **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 WVMi Medicaid Imaging Authorization Request Form dated October 6, 2006 and Interqual Form (seven pages)
- D-3 Notice of Denial dated October 6, 2006, reports and denial notice dated October 24, 2006 (seven pages)

#### **Claimant's Exhibits:**

None

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

- 1) On or about October 24, 2006, the Claimant was notified via a Notice of Denial (Exhibit D-3) that her request for prior authorization (PA) for Medicaid payment of a CT Scan of the chest was denied. The reason for denial is as follows:

The chest x-ray and chest CT scan reports were negative and there was no documentation provided indicating a change or worsening of symptoms.

- 2) Evidence presented by the Department reveals that PA is required for Medicaid payment of a CT Scan. West Virginia Medical Institute (WVMI) is the agency contracted to review PA requests and determine eligibility. The Claimant's request (Exhibit-D-2) was reviewed by West Virginia Medical Institute (WVMI) and the determination was made that the Claimant did not meet any of the clinical indications (100 through 700 on Exhibit D-2) for approval. WVMI referred the Claimant's request to Physician Review and the decision was made that there was insufficient medical documentation for the physician reviewer to authorize payment of the CT Scan. As indicated in the Notice of Denial, the chest x-ray and CT scan submitted were negative and there was no documentation provided indicating a change or worsening of symptoms.
- 3) The Claimant testified that she still has problems and is using a breathing machine and various inhalers, and suffers from pain and soreness in her side and shoulder. She testified that she has a constant cough with no relief.
- 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 CT Scan of the chest. Because the Claimant’s medical condition did not meet any of the initial 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 to approve the authorization of a CT scan of the chest in this instance.

#### **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 CT Scan.

#### **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 June 2007.**

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**Cheryl McKinney  
State Hearing Officer**