BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL BY THE COMMISSIONER OF HEALTH AND SOCIAL SERVICES

In the Matter of)	
)	
1 Q)	OAH No. 14-0764-MDS
)	Agency No.

DECISION

I. Introduction

J Q appeals from the Division of Health Care Services' decision denying coverage for his inpatient admission to No Name Hospital (NNH). A telephonic hearing was held on July 16, 2014. J was represented by his mother, U Q. Angela Ybarra represented the Division, and Sherri LaRue, program manager, testified on its behalf.

Because the record does not support the medical necessity for inpatient billing, the Division's decision to deny the inpatient authorization is affirmed.

II. Facts

J Q is a troubled 16 year-old. J is diagnosed with depression, fetal alcohol syndrome, mild ADHD, and reactive attachment disorder.² Prior to his admission to NNH, J had been sneaking out, using drugs and alcohol, and shoplifting.³

On April 5, 2014, at approximately 11:30, ⁴ J's parents brought him into NNH's emergency room in order to get him into treatment at No Name, an adolescent residential treatment center. ⁵ Medical and mental health staff evaluated J and he was in the ER for many hours. ⁶ After substantial evaluation, Dr. Z decided to admit J at 10:50 p.m. because of elopement concerns. ⁷ J was held and monitored by NNH staff because transportation to No Name could not be arranged until the morning of April 6, 2014. ⁸ He was medically cleared when admitted and no further medical or mental health treatments were administered at NNH. ⁹ Though depressed, he had no suicidal ideations. ¹⁰ J was placed on

Exhibit C.

Ms. Q testimony.

Ms. Q testimony.

NNH ER record, p. 1 of 7.

⁵ Ms. Q testimony.

Ms. Q testimony. NNH ER record, p 3-4 of 4.

NNH ER record, p. 4 of 4.

NNH ER record, p. 4 of 4.

NNH ER record, p. 4 of 4.

one to one watch solely because of flight concerns. 11

The hospital billed Medicaid for a one day of inpatient care. ¹² The only diagnosis listed on patient review report is cannabis use, continuous. ¹³ On April 24, 2014, the Division mailed a denial notice. ¹⁴ The Division denied the billing because the services rendered could have been provided at a lower level of care and did not require acute inpatient services. ¹⁵ On May 2, 2014, Ms. Q requested a fair hearing, explaining that he has multiple diagnoses, not just cannabis abuse. ¹⁶ The fair hearing request also explained that J was held for transport to No Name and that he has had issues for many years. ¹⁷

A hearing was originally scheduled for June 10, 2014. At that time, the parties agreed to a continuance in order to attempt to resolve the claim. During the July 16, 2014, hearing, the Division explained that it was not challenging the fact that J needed to be at NNH. It was simply challenging the billing code submitted by NNH. Ms. LaRue explained that an observation billing code is more appropriate for a less that 24 hour hold with no medical intervention than the acute inpatient billing code submitted by NNH. Ms. LaRue contacted NNH staff multiple times and asked NNH to resubmit under an outpatient observation billing code. NNH explained to Ms. LaRue that the doctor wrote it up as an inpatient service, and NNH staff was not going to change the code. Ms.

III. Discussion

The Division's denial notice states, "[y]our current medical condition and/or the requested treatment (indicated above) can be treated and/or provided at a lower level of care and does not require the acute inpatient hospital services that were requested." Medicaid covers

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NNH Mental Health evaluation by E. Weeks, LCSW.
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NNH ER record, p. 4 of 4; Ms. Q testimony.

Ex. D; LaRue testimony.

Ex. E, p. 1.

Ex. 7.

Ex. D; LaRue testimony.

¹⁶ Ex. C.

¹⁷ Ex. C.

Ms. Ybarra hearing presentation. Ms. Ybarra also stated that unless Ms. Q agreed at the time of treatment to remit payment to NNH, she would not be responsible for these charges.

Ms. LaRue testimony.

Ms. LaRue testimony.

Ms. LaRue testimony.

Ms. LaRue testimony.

²³ Ex. D.

medically necessary services that have received prior authorization (if needed). ²⁴ Inpatient and outpatient procedures or diagnosis require prior authorization. ²⁵ Inpatient admission is only covered if the, "the recipient requires an acute care hospital level of care or meets the requirements of an administrative-wait bed or swing-bed status, and the department gives prior authorization." ²⁶ The department will not pay for, "services and procedures that do not require hospital care, including recipients who do not require or who no longer require acute inpatient care..."

J was "medically cleared" and received no medical or mental health services once admitted to NNH. Ms. Q testified credibly that there was nowhere else for J to go while awaiting transport to No Name. Although true, this circumstance does not satisfy the level of care requirement for inpatient billing. Ms. Q testified that hospital staff explained it would be like J was on a suicide watch, with someone from NNH with J the whole time he was awaiting transport. But J was not on suicide watch. His mental health evaluation states no suicidal ideation and low risk.²⁸ The medical records support a finding that at the time of his admission, J did not require "an acute hospital level of care," as required for Medicaid coverage.²⁹

IV. Conclusion

Because the services provided should have been billed at a lower level of care, the Division's decision to deny coverage for J Q's inpatient admission is affirmed.

Dated: August 27, 2014

Signed
Bride A. Seifert
Administrative Law Judge

²⁴ 7 AAC 105.100(5)-(6).

²⁵ 7 AAC 105.130(11).

²⁶ 7 AAC 140.305(2)-(3). The record contains no evidence of administrative wait or swing-bed status.

²⁷ 7 AAC 140.315(b)(5)(D).

NNH Mental Health Evaluation. There is not a "no risk" category.

See 7 AAC 140.305(2)-(3); 7 AAC 140.315(b)(5)(D).

Adoption

The undersigned, by delegation from of the Commissioner of Health and Social Services, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 17th day of September, 2014.

By: Signed
Signature
William J. Streur
Name
Commissioner
Title

[This document has been modified to conform to the technical standards for publication.]

Non-Adoption Options

A. The undersigned, by delegation from Services and in accordance with AS 44.64.060(e)(2), orders under AS 44.64.060(e)(2) that the case be retu	•
take additional evidence about	, ,
make additional findings about	;
conduct the following specific proceedings: _	
DATED this day of, 20	14.
ſ	Name:
ן	Γitle:
B. The undersigned, by delegation from Services and in accordance with AS 44.64.06 determination of best interest, order, award, remedy, case as set forth below, and adopts the proposed decision.	sanction, penalty, or other disposition of the
Judicial review of this decision may be of Superior Court in accordance with Alaska R. App. I this decision.	
DATED this day of, 20	14.
1	Name: Fitle:

C. The undersigned, by delegation from the Commissioner of Health Services and in accordance with AS 44.64.060(e)(4), rejects, modifies or amends factual findings as follows, based on the specific evidence in the record described be	one or more
Judicial review of this decision may be obtained by filing an appeal in Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after this decision.	
DATED this day of, 2014.	
By: Name: Title:	
D. The undersigned, by delegation from the Commissioner of Health Services and in accordance with AS 44.64.060(e)(5), rejects, modifies or interpretation or application of a statute or regulation in the decision as follows a reasons:	amends the
Judicial review of this decision may be obtained by filing an appeal in Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after this decision.	
DATED this, 2014.	
By:Name:	
Title:	