



**STATE OF WISCONSIN  
Division of Hearings and Appeals**

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In the Matter of

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

DECISION

MPA/148437

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**PRELIMINARY RECITALS**

Pursuant to a petition filed March 29, 2013, under Wis. Stat. § 49.45(5), and Wis. Admin. Code § HA 3.03(1), to review a decision by the Division of Health Care Access and Accountability n/k/a the Office of the Inspector General (OIG) in regard to Medical Assistance (MA), a hearing was held on April 23, 2013, at Milwaukee, Wisconsin. The record was held open post-hearing to allow petitioner time to submit additional information, which was received.

The issue for determination is whether the OIG correctly modified petitioner's prior authorization (PA) request for physical therapy (PT).

There appeared at that time and place the following persons:

**PARTIES IN INTEREST:**

Petitioner:

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Respondent:

Department of Health Services  
1 West Wilson Street  
Madison, Wisconsin 53703

By: written submittal of Pamela Hoffman, PT, DPT, MS  
Division of Health Care Access and Accountability  
1 West Wilson Street, Room 272  
P.O. Box 309  
Madison, WI 53707-0309

**ADMINISTRATIVE LAW JUDGE:**

Kelly Cochrane  
Division of Hearings and Appeals

### FINDINGS OF FACT

1. Petitioner is a resident of Waukesha County. He is MA-eligible.
2. Petitioner is 2 years old and lives at home with his family. He is diagnosed with congenital hydrocephalus due to Dandy Walker Malformation.
3. On January 21, 2013 the petitioner's private PT provider submitted a PA request (PA# [REDACTED]) for petitioner to receive private PT once weekly for 26 weeks. That PA was returned to the provider on February 1, 2013 requesting information regarding why a home exercise program (HEP) would not meet the member's needs. The provider responded on February 7, 2013.
4. On February 19, 2013 the OIG issued a notice to petitioner indicating that it was modifying the PA request to 13 sessions (or 2x per month) because it did not find the level of PT requested to be medically necessary.

### DISCUSSION

Physical Therapy (PT) is covered by MA under DHS §107.16, Wis. Admin. Code. Generally it is covered without need for prior authorization (PA) for 35 treatment days per spell of illness. Wis. Admin. Code, DHS §107.16(2)(b). After that, PA for additional treatment is necessary. If PA is requested, it is the provider's responsibility to justify the need for the service. Wis. Admin. Code, DHS §107.02(3)(d)6.

In determining whether to grant prior authorization for services or equipment, the OIG must follow the general guidelines in DHS §107.02(3)(e). That subsection provides that the OIG, in reviewing prior authorization requests, must consider the following factors:

1. The medical necessity of the service;
2. The appropriateness of the service;
3. The cost of the service;
4. The frequency of furnishing the service;
5. The quality and timeliness of the service;
6. The extent to which less expensive alternative services are available;
7. The effective and appropriate use of available services;
8. The misutilization practices of providers and recipients;
9. The limitations imposed by pertinent federal or state statutes, rules, regulations or interpretations, including Medicare, or private insurance guidelines;
10. The need to ensure that there is closer professional scrutiny for care which is of unacceptable quality;
11. The flagrant or continuing disregard of established state and federal policies, standards, fees or procedures; and
12. The professional acceptability of unproven or experimental care, as determined by consultants to the department.

The key factor of the 12 listed above is "medical necessity", which is defined in the administrative code as any MA service under chapter DHS 107 that is:

- (a) Required to prevent, identify or treat a recipient's illness, injury or disability; and
- (b) Meets the following standards:
  1. Is consistent with the recipient's symptoms or with prevention, diagnosis or treatment of the recipient's illness, injury or disability;

2. Is provided consistent with standards of acceptable quality of care applicable to the type of service, the type of provider and the setting in which the service is provided;

...

7. Is not solely for the convenience of the recipient, the recipient's family or a provider;

8. With respect to prior authorization of a service and to other prospective coverage determinations made by the department, is cost-effective compared to an alternative medically necessary service which is reasonably accessible to the recipient; and

Wis. Adm. Code, DHS §101.03(96m).

“Medically necessary” is therefore more of a *legal* term as opposed to a *medical* term. Therefore, while a medical professional or provider may conclude an item is “medically necessary”, it is the OIG which must adjudicate the request and determine whether the item or service for which payment is sought meets the legal definition of “medically necessary.” In prior authorization cases the burden is on the person requesting the PA to demonstrate the medical need for the services. DHS §107.02(3)(d)6, Wis. Admin. Code; see also, DHS §106.02(9)(e)1, Wis. Admin. Code. As an MA-certified provider, providers who request the MA program to reimburse for their services are required, by law, to completely and accurately complete the prior authorizations which they submit. Not every medical provider can submit a PA to the MA program to request reimbursement. Only those providers who have been certified to provide MA-reimbursable services are allowed to submit a PA. One of the reasons these medical providers are “certified” is to assure they are kept up to date on changes in the MA program and the prior authorization process. MA-certified providers are expected to know the rules and policies controlling the prior authorization process and the completion of the prior authorization forms.

In this case the OIG modified the PA request because it determined that the level of PT requested was not medically necessary. Essentially the OIG is stating that the petitioner’s HEP and family provide interventions to prevent, identify and treat his disability, and maintain his skills through routine and repetitive participation in a HEP. Further, because the provider has not documented any measure of his impairments, the evidence is not there to show that a PT is required to treat the impairment. The record was help open to allow the provider an opportunity to the agency’s summary statement about the modification to the PA. Unfortunately, the provider still does not address the main argument from the OIG that “without documentation there is an objectively measured and documented impairment that is the cause of a function limitation, there is not documentation that a physical therapist is required to treat the member’s illness, injury, or disability. There may be another impairment that is the cause of the member’s functional limitation and that impairment may not require the skills of a therapist to directly treat (e.g., cognition, upper motor neuron lesion, or low tone) – but rather are treated with an indirect PT treatment program – an HEP, environmental adaptations, or the use of equipment.”

Petitioner’s father, who clearly wants the best for his son, testified at hearing regarding the HEP and that petitioner has made and is making significant progress with the direct PT. Unfortunately, however, he is not a physical therapist and could not explain more than that, except to argue that more PT is better.

Based upon the preponderance of the evidence in this record, I can only conclude that the provider has not justified the level of services requested. I do not doubt that petitioner needs treatment of some kind to help with his deficits, however, under the documentation I have, it does support the level of therapy requested. I agree with the OIG that 13 visits to provide interventions and/or modify tasks or environment accordingly

appears the most appropriate course under these MA rules with the documentation provided. The private PT provider can always submit a new or amended PA if the 13 visits are not sufficient and has the documentation to support the request.

I add, assuming petitioner finds this decision unfair, that it is the long-standing position of the Division of Hearings & Appeals that the Division's hearing examiners lack the authority to render a decision on equitable arguments. See, Wisconsin Socialist Workers 1976 Campaign Committee v. McCann, 433 F.Supp. 540, 545 (E.D. Wis.1977). This office must limit its review to the law as set forth in statutes, federal regulations, and administrative code provisions.

### **CONCLUSIONS OF LAW**

The OIG correctly modified petitioner's PA request for PT.

**THEREFORE, it is** **ORDERED**

That the petition for review herein be dismissed.

### **REQUEST FOR A REHEARING**

This is a final administrative decision. If you think this decision is based on a serious mistake in the facts or the law, you may request a rehearing. You may also ask for a rehearing if you have found new evidence which would change the decision. Your request must explain what mistake the Administrative Law Judge made and why it is important or you must describe your new evidence and tell why you did not have it at your first hearing. If you do not explain these things, your request will have to be denied.

To ask for a rehearing, send a written request to the Division of Hearings and Appeals, P.O. Box 7875, Madison, WI 53707-7875. Send a copy of your request to the other people named in this decision as "PARTIES IN INTEREST." Your request for a rehearing must be received no later than 20 days after the date of the decision. Late requests cannot be granted.

The process for asking for a rehearing is in Wis. Stat. § 227.49. A copy of the statutes can be found at your local library or courthouse.

### **APPEAL TO COURT**

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be served and filed with the appropriate court no more than 30 days after the date of this hearing decision (or 30 days after a denial of rehearing, if you ask for one).

For purposes of appeal to circuit court, the Respondent in this matter is the Department of Health Services. After filing the appeal with the appropriate court, it must be served on the Secretary of that Department, either personally or by certified mail. The address of the Department is: 1 West Wilson Street, Madison, Wisconsin 53703. A copy should also be sent to the Division of Hearings and Appeals, 5005 University Avenue, Suite 201, Madison, WI 53705-5400.

The appeal must also be served on the other "PARTIES IN INTEREST" named in this decision. The process for appeals to the Circuit Court is in Wis. Stat. §§ 227.52 and 227.53.

Given under my hand at the City of Milwaukee,  
Wisconsin, this 8th day of July, 2013

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\sKelly Cochrane  
Administrative Law Judge  
Division of Hearings and Appeals



**State of Wisconsin\DIVISION OF HEARINGS AND APPEALS**

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The preceding decision was sent to the following parties on July 8, 2013.

Division of Health Care Access And Accountability