

**STATE OF MICHIGAN**  
**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**  
**Before the Director of Insurance and Financial Services**

**In the matter of:**

██████████

**Petitioner,**

v

**File No. 149210-001**

**Molina Healthcare of Michigan,**

**Respondent.**

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**Issued and entered**  
**this 10<sup>th</sup> day of September 2015**  
**by Randall S. Gregg**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

██████████ (Petitioner), a minor,<sup>1</sup> was denied coverage for occupational therapy by his health plan. On August 17, 2015, ██████████ the Petitioner's mother, filed a request with the Director of Insurance and Financial Services for an external review of that denial under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.*

The Petitioner receives health care benefits through Molina Healthcare of Michigan (Molina), a health maintenance organization for Medicaid recipients. The Director notified Molina of the external review request and asked for the information it used to make its final adverse determination. The Director received Molina's response on August 21, 2015. After a preliminary review of the material submitted, the Director accepted the request on August 24, 2015.

The issue in this external review can be decided by a contractual analysis. The Director reviews contractual issues pursuant to MCL 500.1911(7). This matter does not require a medical opinion from an independent review organization.

**II. FACTUAL BACKGROUND**

The Petitioner's benefits are defined in a certificate of coverage<sup>2</sup> issued by Molina (the certificate).

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<sup>1</sup> ██████████

<sup>2</sup> Revised 8/2014.

The Petitioner's physician prescribed outpatient occupational therapy (OT) for him and asked Molina to cover it. When the request was denied, the Petitioner appealed through Molina's internal grievance process. At the conclusion of that process, Molina affirmed its denial in a final adverse determination dated June 30, 2015. The Petitioner now seeks a review of that final adverse determination from the Director.

### III. ISSUE

Did Molina correctly deny coverage for the Petitioner's OT?

### IV. ANALYSIS

#### A

The Petitioner has a condition called hypotonia, a generalized muscle weakness throughout his core and upper extremities. A treatment plan developed by the Children's Hospital of Michigan and the Rehabilitation Institute of Michigan recommended outpatient OT to improve the Petitioner's core strength, coordination, activities of daily living, and fine motor skills.

In its final adverse determination, Molina explained its reason for denying coverage for the OT:

#### Reason for Denial

This is a Developmental Disorder, and the service is available through the member's school district. Per the Molina Healthcare of Michigan Member Handbook Certificate of Coverage Appendix B - Coordination of Care Services, members eligible are referred to receive the requested speech [*sic*] therapy through the Intermediate school district for their coordination of care. Molina Healthcare of Michigan Member Handbook Certificate of Coverage Appendix C - Excluded Services & Limitations, services provided by a school district and billed through the Intermediate school district are not a covered Molina Healthcare benefit.

The documentation (clinical or office notes) that we received does not show that [the Petitioner] has a Children Special Health Care Services (CSHCS) diagnosis. Nor does it show there is concern that he has Cerebral Palsy.

[The Petitioner] may qualify for Early Intervention Programs such as Project Find for children who have aged out of the Early On Program. We encourage you or [his] Primary Care Physician to enroll him in the Project Find Program.

But in her external review request, the Petitioner's mother noted that the school district had declined to provide services for her son:

Molina has denied approving more occupational [therapy] visits because his condition is a “developmental disorder” and refers us to the school district. [The Petitioner] is not eligible through the school district.

She provided a copy of a “Notice Regarding Provision of Special Education” from the school district in May 2015 that contained this information:

NOTICE OF INELIGIBILITY FOR SPECIAL EDUCATION PROGRAMS  
AND SERVICES

You are receiving this notice because, based upon the initial IEP [*individualized education program*] Team meeting, [the Petitioner] was found ineligible for special education programs / services. If age-appropriate, the district will support [the Petitioner’s] using resources in general education.

**B**

The certificate (p. 24) says: “Occupational therapy provided in a Participating Hospital outpatient department or a Participating Physicians office, or the Member's home is covered.” However, the certificate has other provisions which effect OT services.

In “Appendix C - Excluded Services & Limitations” (pp. 26, 27), the certificate has this exclusion:

Any services, equipment or supplies excluded or limited under the Medicaid Contract are excluded or limited under the Member Agreement,<sup>3</sup> even when recommended by a Primary Care Provider or Participating Provider and / or written on a Plan referral form. Exclusions and limitations include, but are not limited to, the following:

\* \* \*

13. **Developmental Disability Services.** Services provided to a Member with a developmental disability and billed through Community Mental Health Services Program providers are not covered. Members may be eligible to receive developmental disability services through providers or agencies in their areas as indicated in Appendix B of the Certificate.

In “Appendix B - Coordination of Care Services,” the certificate says (p. 25):

The following services are the coordination of care services provided by Plan to Members under the Member Agreement:

\* \* \*

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<sup>3</sup> The member agreement is the certificate. See definition on p. 7 of the certificate.

- c. **Developmental Disability Services.** Developmental disability services are not covered by the Member Agreement. Members may be eligible to receive developmental disability services through coordinating agencies in their Area. The Plan will provide Members with information regarding these services upon request, may refer Members for these services and will coordinate the Member's services with the coordinating agency as appropriate.

The Petitioner, according to Molina, has a developmental disability. Therefore the OT he seeks for his disability is not covered under the certificate.

Because Molina does not cover the services needed by the Petitioner, it suggested that he enroll in Project Find, an outreach program of the Michigan Department of Education. As part of its coordination of care services (certificate, p. 25), Molina says it "may refer Members for these services and will coordinate the Member's services with the coordinating agency as appropriate." It should do that in this case with the Petitioner and Project Find.

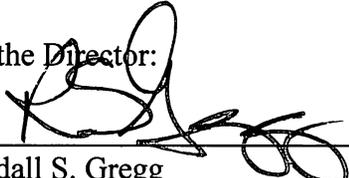
#### V. ORDER

The Director upholds Molina's June 30, 2015, final adverse determination.

This is a final decision of an administrative agency. Under MCL 550.1915, any person aggrieved by this order may seek judicial review no later than 60 days from the date of this order in the circuit court for the Michigan county where the covered person resides or in the circuit court of Ingham County. A copy of the petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of General Counsel, Post Office Box 30220, Lansing, MI 48909-7720.

Patrick M. McPharlin  
Director

For the Director:

  
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Randall S. Gregg  
Special Deputy Director