COMMONWEALTH OF PENNSYVLANIA
DEPARTMENT OF PUBLIC WELFARE

PROVIDER NAME/ADDRESS:	PROVIDER'S REPRESENTATIVE	PROVIDER'S WITNESS (ES)
GRAND VIEW HOSPITAL 700 LAWN AVENUE, P.O. BOX 902 SELLERSVILLE, PA 18960	DR. ROBERT RAPKIN	XXXXXXXXX XXXXXXXXX XXXXXXXXX XXXXXXXXX XXXXXXXXX
RECIPIENTS INVLOVED: XXXXXXXXX XXXXXXXXX XXXXXXXXX XXXXXXXXX XXXXXXXXX	DEPARTMENT REPRESENTATIVE DR. JOHN MIRA	DEPARTMENT WITNESS(ES) XXXXXXXXX XXXXXXXXX XXXXXXXXX XXXXXXXXX XXXXXXXXX

CASE #	BHA DOCKET NUMBERS/ISSUE CODES		
XXXXXXXXX	**W02-6177/921**		
DATE ADVERSE ACTION MAILED **1/29/2000**	DATE APPPEAL RECEIVED POSTMARKED AT DPW **2/23/2000**	DATE APPEAL RECEIVED AT BHA 2/10/2000	IR DUE DATE
DATE SCHEDULING NOTICE MAILED 4/2/2004	RESCHEDULED TO	DATE OF HEARING 4/20/2004	START TIME 3:30 PM END TIME 3:50 PM
HEARING LOCATION PLYMOUTH	TELEPHONE ☒	FACE TO FACE ☐	OTHER ☐

ORDER

AND NOW, after careful review and consideration of the Recommendation of the Administrative Law Judge, it is hereby **ORDERED** that the Recommendation be adopted in its entirety.

Either party to this proceeding has fifteen (15) calendar days from the date of this decision to request reconsideration by the Secretary of the Department. To seek reconsideration, you must fully complete the enclosed application/petition for reconsideration. The application/petition shall be addressed to the Secretary, but delivered to the Director, Bureau of Hearings and Appeals, P.O. Box 2675, Harrisburg, Pennsylvania, 17105-2675, and must be received in the Bureau of Hearings and Appeals within fifteen (15) calendar days from the date of this Order. This action does not stop the time within which an appeal must be filed to Commonwealth Court.

The appropriate party(ies), where permitted, may take issue with this Adjudication, and Order, and may appeal to the Commonwealth Court of Pennsylvania, within thirty (30) days from the date of this order. This appeal must be filed with the Clerk of Commonwealth Court of Pennsylvania, Room 624, Irvis Office Building, Harrisburg, Pennsylvania 17120.

If you file an appeal with the Commonwealth Court, a copy of the appeal must be served on the government unit which made the determination in accordance with Pa. R.A.P. 1514. In this case, service must be made to: Department of Public Welfare, Bureau of Hearings and Appeals, 2330 Vartan Way, 2nd Floor, Harrisburg, Pennsylvania 17110-9721, **AND** Department of Public Welfare, Office of Legal Counsel, Room 309 Health & Welfare Building, Harrisburg, PA 17120.

Bureau of Hearings and Appeals Final Administration Action and Mailing Date 4/27/2004	Thomas E. Cheffins, Chief Administrative Law Judge

cc:
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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE

APPEAL OF: GRAND VIEW HOSPITAL
700 LAWN AVENUE, P.O. BOX 902
SELLERSVILLE, PA 18960

RECOMMENDATION

It is hereby Recommended that the appeal of Appellant should be **DENIED**.

April 27, 2004
Date

Kristen A. Gaughan, Esquire
Administrative Law Judge

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE

APPEAL OF: GRAND VIEW HOSPITAL
700 LAWN AVENUE, P.O. BOX 902
SELLERSVILLE, PA 18960

ADJUDICATION

OPENING STATEMENT

This is an appeal for administrative review by the Appellant, Grand View Hospital, from a decision of the Department of Public Welfare-Division of Medical Review (Department) on a Concurrent Hospital Review (CHR) to deny reimbursement for services rendered to a recipient.[1] A telephone hearing was convened on April 20, 2004 at approximately 3:30 p.m. from the Bureau of Hearings and Appeals, 117 West Main Street, Plymouth, Pennsylvania. All witnesses were sworn by Presiding Administrative Law Judge, Kristen Gaughan, Esquire, and testified under oath.

EXHIBITS

For the Department:

C-1 Curriculum Vitae for Dr. Mira

C-2 Letter from the Department dated December 27, 2002 and appeal letter received on February 10, 2000, DRG/CHR Certification Notice dated January 29, 2000

C-3 Medical Record

For the Appellant:

None

ISSUE

Whether the Department correctly denied reimbursement to the Appellant for services rendered to the patient for a portion of the patient's admission from June 28, 1999 to October 19, 1999.

FINDINGS OF FACT

1. The Appellant admitted the patient on May 7, 1999 and discharged the patient on October 20, 1999. (Testimony of the Department and Exhibit C-3)

[1] On December 3, 2002, the Governor signed Act 2002-142, which amended the Procurement and Public Welfare Code. Among other things the Act requires the publishing of decisions electronically. However, certain privacy laws and regulations impact the information that may be publicly disseminated. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) required that regulations be developed to implement a comprehensive federal law to protect individually identifiable heath care information. The U.S. Department of Health and Human Services (HHS) published regulations at 45 CFR 160 and 164.

2. The patient was a 71-year-old female who the Appellant admitted under court order. (Testimony of the Department and Exhibit C-3)

3. The patient had been living in an abandoned house which someone else owned. (Testimony of Department and Exhibit C-3)

4. The patient had been living in filth and squalor and without electricity, heat, and water. (Testimony of the Department and Exhibit C-3)

5. The patient has no known past psychiatric history and was unable to provide the Appellant with a physical or mental history. (Exhibit C-3)

6. Upon examination, the patient appeared angry, deluded, and hallucinated. (Exhibit C-3)

7. The Appellant admitted the patient with a diagnosis of chronic paranoid schizophrenia. (Testimony of the Department and Exhibit C-3)

8. The patient was not suicidal or homicidal at any point during the admission. (Exhibit C-3)

9. After 6 weeks in the hospital, the patient was comfortable with being in the hospital and was not a management problem. (Testimony of the Department and Exhibit C-3)

10. From June 21, 1999, the Appellant indicated the patient was not a management problem but was a placement problem. (Testimony of Department and Exhibit C-3)

11. The patient did not require inpatient psychiatric treatment from June 28, 1999 to October 20, 1999. (Testimony of Department)

12. On January 29, 2000, the Department, via a teleconference, denied the Appellant reimbursement for services rendered to the patient from June 28, 1999 to October 20, 1999. (Exhibit C-2)

13. The Appellant submitted a statement of appeal which the Department received on February 10, 2000. (Exhibit C-2)

DISCUSSION

This is an appeal for administrative review from the Department's decision to deny compensation to the Appellant for a portion of the inpatient admission of the patient because the admission was not medically unnecessary. The Appellant filed a timely appeal which the Department received on February 10, 2000.

The Department argues the portion of the patient's admission from June 28, 1999 to October 20, 1999 was not medically necessary because the patient was ready for an alternate level of care during this period. The Department argues as of June 28, 2000, the patient was not a management problem. The Department contends the patient only remained in the hospital because the Appellant could not secure a placement for the patient as reflected in the medical record. The Department argues the patient became calm and comfortable in the hospital after the first 6 weeks and was ready for an alternate level of care as of June 28, 1999. The Department contends the Appellant was aware of the patient's failure to have Medical Assistance benefits from the day of admission and should have been making appropriate discharge plans from the first day of admission.

The Appellant argues this patient had to remain in the hospital until October 20, 1999 because the Appellant could not be transferred to any other facility prior to October 20, 1999. The Appellant contends it finally got the Appellant approved for Medical Assistance benefits in August 1999. The Appellant argues it had not options to discharge the patient until the patient had Medical Assistance benefits.

Medical Assistance Regulations state that the Department pays for compensable services or items rendered, prescribed or ordered by a practitioner or provider if the service or item is within the practitioner's scope of practice, medically necessary, not in an amount that exceeds the recipient's needs, not ordered or prescribed solely for the recipient's convenience and is ordered with the recipient's knowledge. 55 Pa. Code §1101.66.

The term medically necessary is defined as a service, item, procedure or level of care that is compensable under the Medical Assistance Program, necessary to the proper treatment or management of an illness, injury or disability and is prescribed, provided or ordered by an appropriate licensed practitioner in accordance with standards of practice. 55 Pa. Code §1101.21. Standards of practice are referenced in 55 Pa. Code §1101.51 which states that in addition to licensing standards, every practitioner providing medical care to MA recipients is required to adhere to the basic standards of practice listed in the subsection. Payment will not be made when the Department's review of a practitioner's medical records reveals instances where these standards have not been met.

Additionally, these standards of practice require that a proper record shall be maintained for each patient and that the record shall contain documentation of the medical necessity of a rendered, ordered or a prescribed service. 55 Pa. Code §1101.51 (d) (1) and (e) (x).

Specifically, as to inpatient psychiatric facilities, the Department will not pay an inpatient psychiatric facility for custodial care (either related or unrelated to court commitments) unless medical necessity exists for psychiatric inpatient care. Unnecessary admissions and days of care due to conditions which do not require psychiatric inpatient care are not compensable. 55 Pa. Code §1151.48 (a) (7) and (9). The Department will not pay an inpatient psychiatric facility for days of care for recipients who no longer require psychiatric inpatient care or for grace periods, such as pending discharge of a recipient when inpatient hospital care is no longer needed. 55 Pa. Code §1151.48 (a) (10) and (12). Also, the day of discharge is non-compensable unless it is also the day of admission. 55 Pa. Code §1151.48 (a) (18).

The Department also will not pay an inpatient psychiatric facility for days of inpatient care provided to a recipient who is suitable for an alternate type or level of care, regardless of whether the recipient is under voluntary or involuntary commitment. 55 Pa. Code §1151.48 (a) (15). 55 Pa. Code §1151.48 (b) and (c) state that the Department will not pay inpatient psychiatric facilities for services or items in sub-section (a) or for services or items provided in conjunction with the provision of a service or item in sub-section (a) even if the attending physician or Hospital Utilization Review Committee determines that the stay was medically necessary.

Medical Assistance regulations also provide that private psychiatric hospitals and general hospitals with distinct psychiatric units are required to maintain transfer agreements with skilled nursing and intermediate care facilities, general hospitals and rehabilitation hospitals, for the prompt and appropriate transfer of patients who no longer require inpatient psychiatric services. 55 Pa. Code §1151.33(a)(1).

In the instant case, the Department denied reimbursement to the Appellant for services rendered to the patient from June 28, 1999 to October 20, 1999 because that portion of the admission was not medically necessary since the patient was suitable for an alternative level of care. From

June 21, 1999, the medical record clearly states the patient was not a management problem and only remained in the hospital because the Appellant could not find an adequate placement for the patient. Medical Assistance regulations provide that private psychiatric hospitals and general hospitals with distinct psychiatric units are required to maintain transfer agreements with skilled nursing and intermediate care facilities, general hospitals and rehabilitation hospitals, for the prompt and appropriate transfer of patients who no longer require inpatient psychiatric services. 55 Pa. Code §1151.33(a)(1). Additionally, the regulations state the Department will not pay a psychiatric facility for days of care provided to a patient who is suitable for an alternate level of care. 55 Pa. Code § 1151.48(a)(15). As of June 21, 1999, this patient was not a management problem and could have been treated in a state hospital or a nursing center. Further, the Appellant was aware of the patient's insurance status at the time of admission and should have been making arrangement for the patient's discharge since her admission given the patient's special circumstances. In addition, whether or not the patient qualified for Medical Assistance would not effect the medical necessity of the patient's admission. The Department correctly denied reimbursement to the Appellant for services provided to the patient from June 28, 1999 to October 20, 1999 because that portion of the admission was not medically necessary since the patient was suitable for an alternate level of care. Accordingly, the appeal of the Appellant is denied.

A recommendation to the Chief Administrative Law Judge will be made consistent with these findings and conclusions.