

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],  
Claimant

Reg. No: 2009-11909  
Issue No: 2006; 2007  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
July 2, 2009  
Chippewa County DHS

ADMINISTRATIVE LAW JUDGE: Jay W. Sexton

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on July 2, 2009 in Sault Ste. Marie. Claimant personally appeared and testified under oath.

The department was represented by Kim Wilderspin (Hearings Coordinator/FIM).

The Administrative Law Judge appeared by telephone from Lansing.

ISSUE

Did claimant correctly verify her December 2007 and January 2008 medical expenses for MA-N eligibility purposes?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

(1) On November 30, 2007 claimant applied for MA-N Group 2 benefits to cover her December 2007 and January 2008 medical bills.

(2) On November 6, 2007, claimant began working at the [REDACTED] Department. She reported her income to the department on her application for MA-N.

(3) On December 11, 2007, the caseworker prepared an eligibility budget.

(4) On December 11, 2007, the caseworker notified claimant (DHS-4400) that she was eligible for MA-N benefits in November 2007.

(5) Based on this notice, claimant assumed she was eligible for MA-N indefinitely.

(6) The caseworker did a new eligibility budget and decided that claimant was eligible for MA-N in December 2007 and January 2008 subject to a spend-down.

(7) On December 11, 2007, the caseworker sent claimant a Deductible Information Notice (DHS-4400).

This notice states in pertinent part:

\* \* \*

Proof of incurred medical expenses is required. Examples of proof are current bills, receipts and written statements from your medical providers. You will not qualify for Medicaid for any month for which your allowable medical expenses are less than your deductible amount.

For each month for which you must meet a deductible to qualify for Medicaid, you have until the last day of the third month following the deductible month to submit your incurred medical expenses. However, the sooner you report and provide proof of your medical expenses, the sooner I can determine if you qualify for Medicaid.

If you would like to discuss the deductible process, please contact me.

The legal base for the deductible process is 42 CFR 435.831.

(8) Claimant's due date for submitting her December 2007 medical bills was March 31, 2008.

(9) Claimant's due date for submitting her January 2008 medical bills was April 30, 2008.

(10) Claimant did not submit her medical bills by the deadlines. To date, she has never submitted them.

(11) Claimant did contact her caseworker on May 9, 2008 by telephone to inquire about the progress on her MA-N coverage.

(12) On December 29, 2008, claimant requested a hearing.

(13) Although claimant did discuss the MA-N spend-down rules and the requirement that all medical bills be submitted within 90 days, with her caseworker, she did not fully understand the process due to the multiple layers of complexity.

(14) Claimant did not follow the chain of command at the local DHS office to obtain clarification about the requirements for MA-N spend-down coverage.

#### CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

The department's Policy Manuals require that clients cooperate with the department in establishing financial and medical eligibility. This may be accomplished by providing information requested on the following forms: 49F, 49D, 49G and proof of citizenship form. See PEM 500, 550 and PAM 210.

The preponderance of the evidence in the record shows that the caseworker correctly requested that claimant verify her medical expenses for December 2007 and January 2008. The caseworker sent claimant a DHS-4400 deductible information form which notified claimant that she had 30 days from the date the medical bills were incurred to submit them to the department for spend-down purposes. Claimant failed to submit her December 2007 and January 2008 medical bills by March 31 and April 30, 2008, as required.

A careful review of the record indicates that claimant failed to establish a *prima facie* case of eligibility for MA-N by the required due dates. For this reason, the caseworker correctly denied claimant's application on December 22, 2008.

There is no evidence on this record of arbitrary or capricious action on behalf of the department in processing claimant's MA-N spend-down benefits.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department correctly denied claimant's MA-N spend-down applications for December 2007 and January 2008 due to claimant's failure to verify her medical expenses within 90 days.

Therefore, the department's action is, hereby, AFFIRMED.

SO ORDERED

/s/  
Jay W. Sexton  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: October 26, 2009

Date Mailed: October 27, 2009

**NOTICE:** Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

JWS/tg

cc:

