

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.: 2009-21449  
Issue No.: 2026  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
November 19, 2009  
Wayne County DHS (76)

ADMINISTRATIVE LAW JUDGE: Linda Steadley Schwarb

AMENDED  
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 hearing was held on November 19, 2009. The claimant appeared and testified.

ISSUES

- 1) Did the Department of Human Services (DHS or department) properly activate claimant's Medical Assistance (MA) coverage for October, November, and December of 2006?
- 2) Did claimant submit verification of April of 2008 medical expenses to the department in July of 2008 which should have been considered for claimant's MA eligibility for the month of April of 2008?

FINDINGS OF FACT

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

- 1) From October through December of 2006, claimant had MA with a spend-down or deductible of \$479.00.
- 2) On August 2, 2007, claimant had an administrative hearing regarding her MA spend-down/deductible. At the hearing, representatives of the department testified that the department had activated full MA coverage for claimant from June through December of 2006.
- 3) Later, it was revealed that the department had not activated MA for October, November, and December of 2006.
- 4) Thereafter, claimant's file was transferred to a new district office.
- 5) At the time of the instant hearing, it was apparent that the department's file for claimant was no longer intact.
- 6) At the November 19, 2009, hearing, the department agreed to have the undersigned Administrative Law Judge order the department to activate MA for claimant for the months of October, November, and December of 2006.
- 7) In April of 2008, claimant had a monthly MA spend-down or deductible of \$596.00.
- 8) On July 5, 2008, claimant submitted to the department a copy of a medical bill for claimant's [REDACTED] hospital admission in which claimant was responsible for paying \$1,024.00.
- 9) On March 24, 2009, claimant filed a hearing request to protest the department's:
  - Failure to activate her MA coverage for October, November, and December of 2006;
  - Failure to activate MA coverage for [REDACTED]; and

- Expected closure of claimant's MA on March 31, 2009.
- 10) Claimant's MA was cancelled by the department effective March 31, 2009, but later reopened effective April 1, 2009.
  - 11) At the time of the November 19, 2009, hearing, claimant was no longer aggrieved by the department's March 31, 2009, closure of claimant's MA case.

### 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).

Relevant departmental policy in this matter is as follows:

#### MA Group 2 Income Eligibility

Income eligibility exists for the calendar months tested when:

- There is no excess income, or
- Allowable medical expenses ... equal or exceed the excess income.

PEM Item 545, Page 1.

#### Meeting a Deductible

Meeting a deductible means reporting and verifying allowable medical expenses ... that equal or exceed the deductible amount for the calendar month tested.

The group must report expenses by the last day of the third month following the month it wants MA coverage for. PEM Item 545, Page 9.

In this matter, claimant, at all times relevant to this hearing, was a recipient of MA with a monthly spend-down or deductible. At a hearing on August 2, 2007, representatives of the department testified that the department had activated MA coverage for claimant for June of 2006 through December of 2006. Later, after the hearing, claimant learned that the department had not activated MA for October, November, or December of 2006. The department's file for claimant was then transferred to a new district office. The client was not able to convince the new district office to activate her MA coverage for October, November, and December of 2006. Claimant filed a hearing request to, in part, challenge the department's failure to activate her MA coverage for October, November, and December of 2006. At the hearing, it became apparent that the department's file for claimant was no longer intact. The department agreed to have the undersigned Administrative Law Judge order the department to activate MA for claimant for October, November, and December of 2006.

With regard to claimant's MA for [REDACTED], the record supports the finding that claimant did, on July 5, 2008, submit a \$1,024.00 hospital bill (for an [REDACTED] admission) to the department. The department is thus ordered to initiate consideration of claimant's eligibility for MA in [REDACTED], using the \$1,024.00 [REDACTED] hospital bill. See PEM Item 545, Page 9.

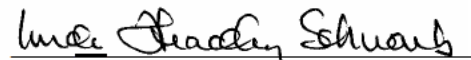
Lastly, claimant's MA case closed on March 31 of 2009 but was reopened effective April 1 of 2009. Thus, claimant is no longer aggrieved with regard to that issue. See MAC Rule 400.906 and 400.903.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department of Human Services is ordered to:

- Activate Medical Assistance for claimant for October, November, and December of 2006 and
- Initiate consideration of claimant's Medical Assistance eligibility for [REDACTED] [REDACTED] using the \$1,024.00 hospital bill incurred in [REDACTED].

The department is ordered to inform claimant in writing as to its actions and determinations.

  
Linda Steadley Schwarz  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: January 22, 2010

Date Mailed: January 26, 2010

**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 mailing 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.

LSS/pf

cc:

[REDACTED]