

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: 2010-13686  
Issue No: 2026  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
June 8, 2010  
Lapeer County DHS

ADMINISTRATIVE LAW JUDGE: Janice Spodarek

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 claimant's request for a hearing. After due notice, a three-way telephone hearing was held on June 8, 2010, with the local office, claimant's representative-- [REDACTED] of [REDACTED], and the Administrative Law Judge. Claimant did not appear.

ISSUE

Did the DHS properly apply claimant's bills for March, 2009 to claimant's deductible?

FINDINGS OF FACT

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

(1) At all relevant times with regards to the issue herein, claimant had deductible MA case.

(2) Claimant's representative issued medical bills to be applied to claimant's deductible for March, 2009 totaling \$4,508.02.

(3) To date, the department has failed to apply the bills to claimant's deductible.

(4) Unrefuted evidence on the record is that [REDACTED] submitted the bills timely.

(6) The DHS at the administrative hearing stipulated that the bills should have been applied to the deductible that to date that it has not been done.

(7) Partial verification submitted by the department from Bridges could not be explained by the DHS with regards to relevancy and/or meaning as to the deductible.

(8) The department cited BEM Item 554--food stamp allowable expenses and expense budgeting. It is unclear why the DHS cited a FAP policy item for an MA deductible case.

(9) Relevant policy is found in BEM Item 545.

#### 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 presentation in this case was confusing and not relevant to the facts. After some discussion, the department stipulated that claimant's timely submission of hospital bills should have been applied to claimant's March, 2009 MA case and deductible. Verification submitted shows the old bills to total \$4,508.02. Unrefuted evidence on the record is that once those bills are applied, active MA should trigger on behalf of claimant.

As the record reflects that the department did not correctly follow its policy and procedure in BEM 545 in applying old bills to the deductible, and as the department stipulated

that the old bills should have been applied to March, 2009, this ALJ reverses the department and orders the department to do the same.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department's actions were incorrect.

Accordingly, the department's actions in this case were REVERSED.

The department is ORDERED to apply claimant's old bills to March, 2009 MA in accordance with its policy and procedure.

/s/ \_\_\_\_\_  
Janice Spodarek  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: June 16, 2010

Date Mailed: June 17, 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 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.

JGS/tg

cc:

