

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201035644  
Issue No.: 2026  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: October 6, 2010  
Macomb County DHS (12)

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on October 6, 2010. The claimant appeared and testified; [REDACTED] also appeared and testified on behalf of Claimant. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

**ISSUE**

Whether DHS properly refused to process a medical bill with a 5/2009 date of service that was submitted to DHS in 9/2009.

**FINDINGS OF FACT**

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

1. Claimant was an ongoing MA recipient approved in 5/2009 for Medicaid subject to a \$114/month deductible.
2. On 5/4/09, DHS mailed Claimant notice of the MA determination (Exhibit 2) which included the statement, "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."

3. Claimant submitted various medical expenses to DHS to meet the 5/2009 deductible and DHS approved Medicaid for Claimant in 5/2009 for some unspecified period of time.
4. In 9/2009, Claimant submitted a \$110 medical bill (Exhibit 3) for a date of service during Claimant's already approved 5/2009 Medicaid period.
5. Claimant submitted the \$110 medical bill with the intent that DHS process payment of the medical bill.
6. DHS refused to process Claimant's \$110 medical bill because the medical bill was not timely submitted by Claimant.
7. In subsequent conversations with DHS, two different persons with appropriate authority to approve processing of Claimant's medical bill advised Claimant that the medical bill would be applied to Claimant's 5/2009 Medicaid.
8. Neither person advising Claimant that the medical bill would be processed followed through on their promise.
9. Claimant's case was eventually submitted to a different DHS specialist who refused to process Claimant's medical bill because the bill was allegedly not submitted in a timely manner.
10. On 2/24/10, Claimant requested a hearing disputing the DHS refusal to process Claimant's \$110 medical bill.

### **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 (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

A recipient with excess income for ongoing Medicaid may still be eligible for Medicaid under the deductible program. Clients with a Medicaid deductible may receive Medicaid if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. BEM 545 at 9. The client must report medical expenses by the last day of the third month following the month in which the group wants MA coverage. *Id.*

In the present case, DHS contends that Claimant failed to timely submit a \$110 medical bill from 5/2009 so that it could be applied to a period when Claimant had Medicaid coverage. As stated above, clients can submit a medical bill within three full calendar months following the date of medical service. Thus, Claimant would have until the end of 8/2009 to have a medical bill applied to a 5/2009 period of coverage. Claimant's mother, Debra, originally contended that the medical bill was timely submitted through the DHS office drop box. The drop-box is a box located in the DHS lobby which allows clients to submit documents without having to see their assigned specialist. The drop-box log also allows clients to sign their name when they drop off documents so there is some record of the submission.

DHS provided testimony that the drop-box log was checked for 5/2009-8/2009 for Claimant's signature, and that none was found. Following the DHS testimony, Claimant's mother conceded that the medical bill might have been submitted in 9/2009. Based on Claimant's mother's concession, it is found that the 5/2009 medical bill was submitted in 9/2009.

The undersigned is somewhat sympathetic to clients that are unable to meet a three month plus ("plus" because clients also have the days left in the month after the medical bill was incurred) to submit medical bills. The undersigned is sympathetic to clients in cases when there is evidence of a delay in receiving the medical bill. In such cases, the undersigned is inclined to extend the three month plus deadlines. The present case does not involve such circumstances as Claimant staunchly contended that the bill was submitted to DHS timely until the evidence indicated otherwise. No evidence was submitted to indicate that Claimant did not timely receive the medical bill. In fact, the \$110 bill indicated an invoice date of 5/28/09. Presumably, Claimant received the bill shortly after the invoice date and had ample time to submit the bill to DHS for processing.

There is some supporting evidence for Claimant that could allow the undersigned to waive the three month plus time limit. Claimant and his mother credibly testified that a DHS specialist and a DHS manager advised Claimant that the medical bill would be applied to Claimant's 5/2009 approved Medicaid. DHS could not rebut this testimony as

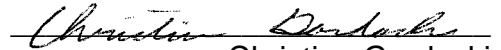
both persons have since left DHS. Unfortunately for Claimant, the specialist and manager never followed through with their promises.

The undersigned is mildly persuaded to find that the DHS promise to process Claimant's medical expense trumps Claimant's tardiness in submitting the bill. Ultimately, the undersigned is not persuaded. The promises of the absent DHS workers did not cause Claimant's medical bill to be submitted late though it is understandable why Claimant would be frustrated after receiving an unfulfilled promise. The undersigned does not fault current DHS staff associated with Claimant's case for not waiving DHS policies. DHS staff need not waive policy requirements merely based on the promises of prior staff who failed to follow through on the promise. It is found that Claimant is not entitled to processing of Claimant's \$110 medical bill from 5/2009 toward Claimant's 5/2009 Medicaid approval.

Despite the above finding, Claimant's \$110 medical bill could still be useful to Claimant. Claimant can still submit unpaid medical expenses to DHS toward a month in which a deductible existed subject to the aforementioned DHS regulations.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly refused to process Claimant's 5/2009 medical expense toward Claimant's 5/2009 Medicaid as the medical bill was not submitted timely by Claimant. The actions taken by DHS are AFFIRMED.

  
Christian Gardocki  
Administrative Law Judge  
For Ismael Ahmed, Director  
Department of Human Services

Date Signed: November 10, 2010

Date Mailed: November 10, 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 60 days of the filing of the original request.

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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.

CG/hw

cc:

