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: 2010-41268
Issue No: 2006
Case No: [redacted]
Load No:
Hearing Date:
August 5, 2010
Barry County DHS

ADMINISTRATIVE LAW JUDGE: Landis Y. Lain

HEARING DECISION

This matter is before the undersigned Admini strative Law Judge pursuant to MCL 400. 9 and MCL 400.37 upon claimant's request for a hearing. After due notic e, a telephone hearing was held on August 5, 2010. Claimant personally appeared and testified. [redacted]

ISSUE

Did the Department of Human Services (t he department) properly deny payment for medical bills which were turned in after the 3 month deadline?

FINDINGS OF FACT

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

(1) On October 16, 2009, claimant filed an application for Medical Assistance for her son and was approved Medica l Assistance benefits effective October 1, 2009, with a deductible as their income was over the limit.

(2) On October 29, 209, the department caseworker sent claimant notice explaining the action and the deductible amount.

(3) On the notice, it indic ated for each month c laimant rec eived expenses to become eligible for Medicaid, they had un til the last day in the third month following deductible month to submit their incurred medical expenses. Statement also said however, the s ooner you report and provide proof of

your medical expenses, the sooner your eligibility for Medicaid can be determined.

(4) The depar tment caseworker left Stat e service sometime in December 2009.

(5) A new c aseworker was assigned to claimant sometime after December 2009, but no one from the dep artment could testify as to when claimant had access to a caseworker.

(6) The medical bills for October 2009, we re submitted to the department on March 10, 2010, whic h was after the last day of the third day of the third month after the deductible month.

(7) On March 24, 2010, the department case worker sent claimant notice that his submission of the bills was denied based upon the fact that they were beyond the 3 month time period.

(8) On April 5, 2010, claimant filed a request for a hearing to contest the department's negative action.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is estab lished by Title XIX of the Social Sec urity Act and is implement ed by T itle 42 of the C ode 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 Administ rative Manual (PAM), the Program Eligibili ty Manual (PEM) and the Program Reference Manual (PRM).

Pertinent department policy at BEM, Item 130, indic ates that meeting a deductible means reporting and verifying allowable medi cal expenses that equal or exceed the deductible amount for the calend ar month tested. The group must report expenses by the last day of the third month following the month it wants MA coverage for. BAM, Item 130, explains verification and timeliness standards. (BEM, Item 545, p. 9)

In the instant case, claimant testified credibl y on the record that he attempted to contact the depart ment on numerous occasions and left messages for his caseworker. The caseworker never returned claim ant's calls. Claimant testified that he attempted to let the caseworker know how much the bills we re and that he was still receiving them but did not rec eive any r esponse before at least the middle of January 2010. Claimant testified on the record t hat he saved up t he deductible of app roximately $[redacted] and continued attempting to contact the department to find out how he could g et the bills paid but was not contacted by anyone until the caseworker who appeared at the hearing finally cont acted and indicated to him that he needed to turn in medical bills. Claimant admitted on the record that he did not fill out the deductible report but he did contact the

department on several occasions to request assistance, but his voicemails were never answered.

Cooperation, Verification, and Eligibility Determination

DEPARTMENT POLICY

All Programs

Clients have rights and responsibilities as specified in this item.

The local office must do **all** of the following:

- Determine eligibility.
- Calculate the level of benefits.
- Protect client rights. PAM, Item 105, p. 1.

CLIENT OR AUTHORIZED REPRESENTATIVE RESPONSIBILITIES

Responsibility to Cooperate

All Programs

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of the necessary forms. PAM, Item 105, p. 5.

Client Cooperation

The client is responsible for providing evidence needed to prove disability or blindness. However, you must assist the client when they need your help to obtain it. Such help includes the following:

- Scheduling medical exam appointments

- Paying for medical evidence and medical transportation

- See PAM 815 and 825 for details. PEM, Item 260, p. 4.

A client who refuses or fails to submit to an exam necessary to determine disability or blindness **cannot** be determined

disabled or blind and you may deny or close the case. PEM, Item 260, p. 4.

All Programs

Clients must completely and truthfully answer all questions on forms and in interviews. PAM, Item 105, p. 5.

The client might be unable to answer a question about himself or another person whose circumstances must be known. Allow the client at least 10 days (or other timeframe specified in policy) to obtain the needed information. PAM, Item 105, p. 5.

FAP Only

Do **not** deny eligibility due to failure to cooperate with a verification request by a person **outside** the group. In applying this policy, a person is considered a group member if residing with the group and is disqualified. PAM, Item 105, p. 5.

Refusal to Cooperate Penalties

All Programs

Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. PAM, Item 105, p. 5.

Responsibility to Report Changes

All Programs

This section applies to all groups **except** most FAP groups with earnings.

Clients must report changes in circumstances that potentially affect eligibility or benefit amount. Changes must be reported **within 10 days**:

- after the client is aware of them, or
- the start date of employment. PAM, Item 105, p. 7.

Income reporting requirements are limited to the following:

- Earned income
  - Starting or stopping employment
  - Changing employers
  - Change in rate of pay
  - Change in work hours of more than 5 hours per week that is expected to continue for more than one month
- Unearned income
  - Starting or stopping a source of unearned income
  - Change in gross monthly income of more than $50 since the last repor ted change. PAM , Item 105, p. 7.

See PAM 220 for processing reported changes.

Other reporting require ments include, but are **not** limited to, changes in:

- Persons in the home
- Marital status
- Address and shelter cost changes that result from the move
- Vehicles
- Assets
- Child support expenses paid
- Health or hospital coverage and premiums
- Day care needs or providers. PAM, Item 105, pp. 7-8.

For TLFA onl y, the client must report to the specialist any month the work requirement is not fulfilled.

Explain reporting requirements to all clients at application, redetermination and when discussing changes in circumstances. PAM, 105, p. 8.

Verifications

All Programs

Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary. See PAM 130 and PEM 702. PAM, Item 105, p. 8.

LOCAL OFFICE RESPONSIBILITIES

All Programs

Ensure client rights described in this item are honored and that client responsibilities are explained in understandable terms. Clients are to be treated with dignity and respect by all DHS employees. PAM, Item 105, p. 8.

VERIFICATION AND COLLATERAL CONTACTS

DEPARTMENT POLICY

All Programs

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements.

Obtain verification when:

- required by policy. PEM items specify which factors and under what circumstances verification is required.

- required as a local office option. The requirement **must** be applied the same for every client. Local requirements may **not** be imposed for MA, TMA-Plus or AMP without prior approval from central office.

- information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. The questionable information might be from the client or a third party. PAM, Item 130, p. 1.

Verification is usually required at application/redetermination **and** for a reported change affecting eligibility or benefit level. PAM, Item 130, p. 1.

Verification is **not** required:

- when the client is clearly ineligible, or
- for excluded income and assets **unless** needed to establish the exclusion. PAM, Item 130, p. 1.

Obtaining Verification

All Programs

Tell the client what verification is required, how to obtain it, and the due date (see "**Timeliness Standards**" in this item). Use the DHS-3503, Verification Check list, or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification. PAM, Item 130, p. 2.

The client must obtain required verification, but you must assist if they need and request help. PAM, Item 130, p. 2.

If neither the client nor you can obtain verification despite a reasonable effort, use the best available information. If **no** evidence is available, use your best judgment.

Exception: Alien information, blindness, disability, incapacity, incapability to declare one's residence and, for FIP only, pregnancy must be verified. Citizenship and identity must be verified for clients claiming U.S. citizenship for applicants and recipients of FIP, SDA and MA. PAM, Item 130, p. 3.

Timeliness Standards

All Programs (except TMAP)

Allow the client 10 calendar days (**or** other time limit specified in policy) to provide the verification you request. If the client cannot provide the verification despite a reasonable effort, extend the time limit at least once. PAM, Item 130, p. 4.

In the instant case, this Administrative Law Judge finds that claimant did attempt to provide his medical bills in a timely manner and he did attempt to contact the department for assistance in providing the verification information in the form of medical bills. No department caseworker contacted claimant before January 2010 and the department caseworker who appeared at the hearing could not testify as to when she had initial contact with the claimant's on this case. The department supervisor was unavailable to testify at the hearing as to when she had contact with the claimants. Therefore, no one from the department was present at the hearing that could testify as to when claimant was given assistance in how to provide the information to the department so that his medical bills could be paid. The department is required to provide assistance to claimant's when asked. The department did not do so in a timely manner. Therefore, the department's actions must be reversed.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department has failed to establish by the necessary competent, material and substantial evidence on the record that it was acting in compliance with department policy when it refused to accept claimant's medical bills beyond the third month after the deductible month, because the claimant did have the medical bills in a timely manner and attempted to speak with his caseworker and ask for assistance and how to make certain that his bills were paid.

Accordingly, the department's decision is REVERSED. The department is ORDERED to reinstate claimant's Medical Assistance deductible case to accept the medical bills and to request an override of the BRIDGES system to determine whether or not claimant is otherwise eligible to receive Medical Assistance.

/s/
Landis Y. Lain
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: August 12, 2010

Date Mailed: August 13, 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.

LYL/alc

cc: [redacted]