

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: 2010-8848  
Issue No: 2026  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
March 24, 2010  
Bay County DHS

ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie

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 Wednesday, March 24, 2010. The claimant personally appeared and testified.

ISSUE

Did the department properly determine that the claimant was not eligible for Medical Assistance (MA) because the claimant did not submit her bills in a timely manner to meet her 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) The claimant was a recipient of MA with a required deductible in order to be eligible for MA.

(2) On June 10, 2009, the claimant submitted medical expenses that were based on treatment from February 2009. (Department Exhibit 4-7)

(3) On August 4, 2009, the department caseworker sent the claimant a notice that bills for services rendered in February 2009 were not eligible to meet her spend-down because based on policy, a group must report expenses by the last day of the third month following the month that they want MA coverage. (BEM 545)

(4) On September 23, 2009, the department received a hearing request from the claimant, contesting the department's negative action.

### 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 program eligibility manuals provide the following relevant policy statements and instructions for caseworkers:

#### **MA GROUP 2 INCOME ELIGIBILITY**

##### **Deductible**

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred.

### **Active Deductible**

Open an MA case **without ongoing Group 2 MA coverage** on CIMS as long as:

- . The fiscal group has excess income, **and**
- . At least one fiscal group member meets all other Group 2 MA eligibility factors.

Such cases are called active deductible cases. Periods of MA coverage are added on CIMS each time the group meets it deductible.

### **Deductible Period**

Each calendar month is a separate spend-down period.

### **Deductible Amount**

The fiscal group's monthly excess income is called a deductible amount. PEM 545, pp. 8-9.

### **Meeting a Deductible**

Meeting a deductible means reporting and verifying allowable medical expenses (defined in "**EXHIBIT I**") that equal or exceed the deductible amount for the calendar month tested. PEM, Item 545, p. 9.

The group must report expenses by the last day of the third month following the month for which it wants MA coverage. PAM 130 explains verification and timeliness standards. PEM, Item 545. p. 9.

In the instant case, the claimant is a recipient of MA with a deductible that requires her to submit medical bills and services in order to be eligible for MA. On June 10, 2009, the claimant submitted bills that were for services rendered in February 2009. During the hearing, the claimant stated that she had just received the bills. However, policy is clear that the claimant has three months after services to submit the bills in order to meet her deductible. The claimant is required to work with her service providers to get her bills in a timely manner and if she has a

problem, she should contact her department caseworker to assist her in facilitating meeting the eligibility deadline of three months for her submission of bills.

Therefore, the department has established that it was acting in compliance with department policy by determining that the bills that the claimant submitted June 10, 2009 for services provided February 2009 were not eligible to meet her MA deductible.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department appropriately determined that the bills the claimant submitted on June 10, 2009 for services rendered in February 2009 were not eligible to meet her deductible because they exceeded the three month time limit.

Accordingly, the department's decision is **AFFIRMED**.

/s/ \_\_\_\_\_  
Carmen G. Fahie  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: May 13, 2010

Date Mailed: May 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.

2010-8848/CGF

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.

CGF/vc

cc:

