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

IN THE MATTER OF:
[redacted]

IN CARE OF:
[redacted]

Reg. No: 2011-1713
Issue No: 2001
Case No: [redacted]
Load No:
Hearing Date:
April 19, 2011
Kalkaska County DHS

ADMINISTRATIVE LAW JUDGE: Jay W. Sexton

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 February 17 and April 19, 2011. Claimant did not appear. [redacted] appeared by telephone from Hazel Park and testified under oath.

The department was represented by Troy Stockwell (Program Manager) and Julie Letts (ES).

The Administrative Law Judge appeared by telephone from Lansing.

ISSUE

Did the department correctly deny claimant's MA application because the AMP program was closed in July 2010, when claimant applied?

FINDINGS OF FACT

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

(1) [redacted] is a MA applicant. His application is dated June 17, 2010.

(2) The procedure followed by DHS in processing claimant's application is described, in pertinent part, in the department's March 15, 2011 amended Hearing Summary:

Addendum to the original Hearing Summary:

This hearing is regarding a Medical Assistance application filed June 17, 2010 at Kalkaska DHS.

Two DHS-22A Recipient Liability Information Notices (pages Exhibit A1, pages 12 and 13) were presented to Kalkaska [redacted] in error, on July 13, 2010, indicating that [redacted] was liable to pay only $24 of the $4,292 and $135 bill [both for services on June 1 and May 4, 2010], respectively. [redacted] ran eligibility on the Bridges program for Medical Assistance on [redacted] on July 13, 2010, and the result was a denial for the Adult Medical Program, which is the only program that [redacted] could be prospectively eligible for, as he is not the biological parent of [redacted] children, and is not the primary caretaker. The DHS-1605 Notice of Case Action (pages 14 and 15) notes that [redacted] is not eligible because enrollment for the Adult Medical Program was closed at this time. Policy does not support eligibility for Medical Assistance for [redacted], but the Bridges System generated the DHS-22-A Recipient Liability Information Notices, inferring eligibility, which [redacted] printed locally and mailed out on July 13, 2010.

Law and regulations used in taking action: BAM 220; BEM 105; 110; 135; 136-166; 500-504; 544-545.

(3) On July 13, 2010, the Bridges computer system sent the following DHS-22As (for May 2010) in error:

Recipient Liability Information

Our records indicate that you provided a medical service to the below named recipient on May 4, 2010. If you provided more than one service to the recipient on this date, you may receive more than one recipient liability information letter.

A recipient is liable for paying $24 of your $155 charge(s) for that service. Medicaid cannot be billed for the recipient's liability. A recipient and medical services administration have been informed of a recipient's liability.

Name

[redacted]

ID No. [redacted]

MA eligibility period:

5/04/2010-5/31/2010.

(4) On July 13, 2010, the Bridges computer system sent the following DHS-22A/Recipient Liability Information (for June 2010), in error.

Recipient Liability Information

Our records indicate that you provided the medical service to the below named recipient on 6/01/10. If you provided more than one service to the recipient on this date, you may receive more than one recipient liability information letter.

The recipient is liable for paying $24 of $4,292 charge(s) for that service. Medicaid cannot be billed for the recipient's liability period; the recipient and medical services administration have that informed of the recipient's liability.

[redacted]

ID No: [redacted]

Eligibility period: 6/01/10-3/2010

(5) Based on the two erroneous DHS-22As, [redacted] had surgery on May 4, 2010 and June 1, 2010, which he expected the Medicaid program to cover.

(6) Based on the two erroneous DHS-22As, [redacted] sent the department checks for [redacted] copays, totaling $48.

(7) On July 13, 2010, DHS sent claimant a corrected notice (DHS-1605). The correct DHS-1605 denied claimant's application for Adult Medical because the program was closed at the time of application.

(8) [redacted] thinks that the department treated him prejudiciously for the following reasons:

(a) The department sent claimant two erroneous Bridges Notices (DHS-22As) which stated that he was eligible for MA coverage in May and June 2010;

(b) [redacted] had two surgeries (May and June 2010) and relied on the Bridges DHS-22As which he received;

(c) [redacted] paid the department two copays which were requested on the erroneous DHS-22As.

(d) After [redacted] had surgery in reliance upon the department's DHS-22As, the department notified claimant that the two recipient liability information notices were in error and refused to pay claimant's hospital bills.

CONCLUSIONS OF LAW

The Adult Medical Program (AMP) is established by Title XXI of the Social Security Act; (1115)(a)(1) of the Social Security Act, and is administered by the Department of Human Services (DHS or department) pursuant to MCL 400.10, *et seq*. Department policies are contained in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

The department's income and eligibility manuals provide a budgeting system for determining AMP eligibility. Eligibility is determined by the department's computer, based on household size and income, if any. BEM 500, 518 and 550.

The department's manuals provide that all earned and unearned income received by the AMP group must be included as household income for income eligibility purposes. PEM/BEM 500.

The preponderance of the evidence in the record that establishes that in July 2010, the date claimant applied for Medicaid, the AMP program was closed to new recipients.

Therefore, the department correctly denied claimant's AMP application.

Unfortunately, the Administrative Law Judge does not have equity powers, which would be required to address claimant's request for equitable compensation to be used for the payment of his hospital bills. The Administrative Law Judge thinks that the record clearly shows that claimant innocently relied on two incorrect Bridges notices and is now responsible for paying bills that he would not otherwise incurred but for the department's two incorrect DHS-22A notices.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department correctly denied claimant AMP eligibility in July 2010, because the AMP program was closed on the date of claimant's application.

The Administrative Law Judge further concludes that the department's Bridges system enticed [redacted] to have two surgical procedures by sending him erroneous notices. Unfortunately, the Administrative Law Judge has no authority to compensate [redacted] for the expenses he incurred, based on Bridges' errors.

Therefore, the department's actions are, hereby, AFFIRMED.

SO ORDERED.

/s/

Jay W. Sexton
Administrative Law Judge
For Maura D. Corrigan, Director
Department of Human Services

Date Signed: May 26, 2011

Date Mailed: May 27, 2011

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.

JWS/tg

cc: [redacted]