

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201146059
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: September 8, 2011
Oakland County DHS (04)

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 September 8, 2011 from Detroit, Michigan. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUE

The issue is whether DHS properly failed to pay unspecified medical bills from Claimant.

FINDINGS OF FACT

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

1. Claimant was an ongoing MA benefit recipient.
2. Claimant was eligible for Medicaid subject to an unspecified deductible.
3. Claimant had various unpaid expenses from 2010 totaling approximately \$3,000.
4. DHS determined that Claimant met her Medicaid deductible for the following months in 2010: 4/2010, 5/2010, 7/2010, 10/2010, 11/2010 and 12/2010.
5. On 1/7/11, Claimant requested a hearing to dispute that some of her medical bills from 2010 were unpaid and an issue concerning Food Assistance Program (FAP) benefits.

6. Claimant testified that she no longer has a FAP benefit dispute.

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). DHS 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.*

Clients may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. BEM 105 at 2. As a disabled person, Claimant may qualify for MA benefits through Aged-Disabled Care (AD-Care) or Group 2 Spend-Down (G2S). AD-Care and G2S are both SSI-related categories. BEM 163 outlines the proper procedures for determining AD-Care eligibility. BEM 166 outlines the proper procedures for determining G2S eligibility.

For both types of MA coverage, DHS allows a \$20 disregard. It was not disputed that Claimant receives \$939/month in RSDI. It is found that Claimant's net income for purposes of MA benefit eligibility is \$919.

Concerning AD-Care eligibility, the only expense considered in the budget is for guardianship (or employment expenses for individuals with employment income). Claimant did not claim to have such expenses.

Income eligibility for AD-Care exists when net income does not exceed the income limit for the program. BEM 163. The net income limit for AD-Care for a one person MA group is \$903/month. RFT 242. The income limit was increased to \$908 beginning 4/2011. *Id.*

Claimant's MA group's net income exceeds the AD-Care income limit for 3/2011 and 4/2011. It is found that DHS properly determined Claimant to be ineligible for AD-Care based on excess income.

Claimant may still receive MA benefits subject to a monthly deductible through the G2S program. The deductible is calculated by subtracting Claimant's Protected Income Level (PIL) from Claimant's MA net income. The protected income level (PIL) is a set allowance for non-medical need items such as shelter, food and incidental expenses. Claimant's PIL is \$408. RFT 240 at 1. Claimant's insurance premiums are also deducted for the G2S calculation, though Claimant did not have any insurance premium obligations. Subtracting Claimant's PIL from the MA group's net income results in a monthly deductible of \$511. DHS stated Claimant had a deductible of \$407/month. For purposes of this decision, the DHS decision will be accepted as accurate.

A check of Claimant's MA benefit history revealed six months from 2010 when Claimant received Medicaid coverage and six months where she did not receive coverage. The sporadic coverage points to a deductible, with months where Claimant received Medicaid being months the deductible was met.

Claimant's concern was that she had medical expenses from 2010 that were not paid. It is very possible that the expenses were used to meet the deductible in months Claimant received Medicaid; in such a case, the expenses should not have been paid. It is possible that the expenses were from months when Claimant did not receive Medicaid; in such a case, the expenses should not have been paid.

The problem is that Claimant failed to bring any medical bills to the hearing. Thus, it cannot be determined whether the medical expenses were not covered. Claimant stated she had medical expenses totaling approximately \$3000. For a \$407/month deductible where Medicaid was issued in six months of 12 months of the year, having \$3000 in expenses is reasonable ($\$407 \text{ deductible} \times 6 \text{ months} = \$2442 \text{ in unpaid expenses}$).

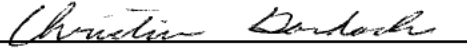
Although a decision cannot be made with certainty, due to the lack of evidence provided by Claimant and DHS, a decision can be made with probability. Based on the presented evidence, there is no basis to find that Claimant had unpaid expenses from 2010 that should have been paid by DHS. As discussed during the hearing, Claimant may submit any outstanding bills to DHS for evaluation in meeting her deductible.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that Claimant failed to establish any error by DHS in the failure to pay for unpaid medical bills.

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The actions taken by DHS are AFFIRMED.


Christian Gardocki
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: September 13, 2011

Date Mailed: September 13, 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 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.

CG/hw

cc:

