

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2012-17976
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: May 31, 2012
County: Macomb (50-12)

ADMINISTRATIVE LAW JUDGE: Robert J. Chavez

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a in-person hearing was held on May 31, 2012, from Clinton Township, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

ISSUE

Did the Department properly process Claimant's medical bills and apply Medical Assistance (MA or Medicaid) coverage after the deductible was met?

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 a Medicaid recipient in Macomb County.
2. Claimant submitted medical expenses to meet her deductible for the month of September 2011.
3. The Department found that Claimant met her deductible on September 29, 2011.
4. Claimant's Medicaid coverage was activated for September 29 and 30, 2011.
5. Claimant only turned in medical bills that had been paid; these were the only bills that were taken into account.

6. Claimant had other medical bills, but as of the time of her hearing request on November 14, 2011, Claimant had not turned these bills in.
7. Claimant was told on November 9, 2011, to submit all bills, including unpaid bills.
8. Claimant did not submit these bills.

CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

The Food Assistance Program (FAP) [formerly known as the Food Stamp (FS) program] is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3001 through R 400.3015.

The Medical Assistance (MA) program is established by the 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.

The Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AACS, R 400.3151 through R 400.3180.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98

and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001 through R 400.5015.

When old bills, personal care services in the client's home, hospitalization, or long-term care expenses exceed the client's deductible amount, MA eligibility exists for the entire month in question. However, when the medical expenses come from other sources than those defined above, MA eligibility only begins on the day of the month that the expenses exceeded the deductible amount. BEM 545. Eligibility is only for the month in question. BEM 545.

The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. BEM 545.

The Administrative Law Judge has performed a review of the medical expenses received by the Department and concludes that Claimant exceeded her deductible on September 29, 2011. Under policy, because these expenses consisted of medications and dental, Claimant's MA coverage could only be authorized beginning the day she exceeded the deductible. While it seems unfair that Claimant only had MA coverage for two days in the month of September, policy is quite clear as to the beginning date of the coverage. Coverage only applies to the entire month when specific types of expenses are submitted, and these types of expenses were not at issue in the present case.

Claimant further argued that other bills had not been considered when calculating the begin date of Claimant's MA coverage. However, the evidence in the packet, as well as the testimony in the case, indicate that Claimant did not submit these bills at the time Claimant was trying to establish MA coverage. Claimant admitted that she thought she could only submit paid bills to meet a deductible. Case notes show that Claimant was told to submit all bills, regardless of status, but Claimant refused to do so. The Administrative Law Judge cannot hold that Claimant was misinformed as to her rights, and Claimant did not deny that the Department had given Claimant incorrect information.

Therefore, as the expense reports and receipts show that Claimant did not exceed her deductible until September 29, 2011, and as Claimant did not turn in bills that may have changed her coverage date, the Administrative Law Judge rules that the Department was correct in its calculations as to Claimant's MA coverage period, and could not have extended coverage further.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department

- did act properly.
- did not act properly.

Accordingly, the Department's AMP FIP FAP MA SDA CDC decision is AFFIRMED REVERSED for the reasons stated on the record.



Robert J. Chavez
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: July 30, 2012

Date Mailed: July 30, 2012

NOTICE: Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases)

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
 - misapplication of manual policy or law in the hearing decision,
 - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
 - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at
Michigan Administrative Hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

RJC/pf

cc:

