

**STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
FOR THE DEPARTMENT OF COMMUNITY HEALTH**

P.O. Box 30763, Lansing, MI 48909
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IN THE MATTER OF:

Docket No. 2012-28146 MHF

██████████,

Appellant

DECISION AND ORDER

This case is before the State Office of Administrative Hearings and Rules pursuant to the provisions of MCL 330.1834 and Chapter 4 of the Administrative Procedures Act of 1969, as amended, MCL 24.271 *et seq.*

After due notice, a telephone hearing was held on ██████████. The Appellant was present and testified. ██████████, reimbursement officer, Center for ██████████ and represented the Department and testified. ██████████ testified for the Department

ISSUE

Did the Department properly determine the Appellant's annual financial liability?

FINDINGS OF FACT

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

1. The Appellant was admitted to the ██████████ but at the time of this hearing was residing in his mother's home located in ██████████
2. On ██████████, ██████████ reimbursement staff completed an annual financial determination for the Appellant. The determination found that the Appellant had a lump sum ability to pay of ██████████ based on ██████████ total value of assets and a negative ██████████ yearly net income. (Exhibit A).
3. When completing the ability to pay determination the Department's reimbursement staff considered the Appellant's liabilities and income and assets. (Exhibits A-K).

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4. On ██████████, the Department sent the Appellant written notification of his lump sum ability to pay as ██████████ effective ██████████ (Exhibit A).
5. On ██████████, the Department received a copy of Appellant's request for an administrative hearing. (Exhibit #1)

CONCLUSIONS OF LAW

Section 802 of the Michigan Mental Health Code, being MCL 330.1802; establishes financial liability for mental health services provided by the Michigan Department of Community Health. Section 804 states:

- (1) A responsible party is financially liable for the cost of services provided to the individual directly by or by contract with the department or a community mental health services program.
- (2) The department or a community mental health services program shall charge responsible parties for that portion of the financial liability that is not met by insurance coverage. Subject to section 814, the amount of the charge shall be whichever of the following is the least amount:
 - (a) Ability to pay determined under section 818 or 819.
 - (b) Cost of services as defined in section 800.
 - (c) The amount of coinsurance and deductible in accordance with the terms of participation with a payer or payer group.
- (3) The department or community mental health services program shall waive payment of that part of a charge determined under subsection (2) that exceeds financial liability. The department or community mental health services program shall not impose charges in excess of ability to pay.
- (4) Subject to section 114a, the department may promulgate rules to establish therapeutic nominal charges for certain services. The charges shall not exceed ██████████ and shall be authorized in the recipient's individual plan of services.
MCL 330.1804

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Section 822 of the Michigan Mental Health Code, being MCL 330.1822 requires all responsible parties to make:

... available to the Department or Community Mental Health Services Program any relevant financial information that the department or community mental health services program is not prohibited by law from seeking and obtaining, and that the Department or Community Mental Health Services Program deems essential for the purpose of determining ability to pay. Willful failure to provide the relevant financial information may result in a determination of ability to pay up to the full cost of services received by the individual.

Expenses mean the reasonable un-reimbursed expenditures of money, actual and estimated, during a financial year to maintain a standard of living essential for one's self and his or her dependents. All of the following are considered necessities:

- (i) Food, clothing, and personal necessities.
- (ii) Shelter, including utilities and repairs for the upkeep of a homestead.
- (iii) Employment or business expenses.
- (iv) Medical services.
- (v) Taxes.
- (vi) Elementary, secondary, and postsecondary education.
- (vii) Repayment of personal financial obligations contractually established before an application was made for services, including such outstanding debt as lease payments, credit card obligations, and other educational or training expenses.
- (viii) Payments made under a divorce decree or court order. Transportation to maintain employment and necessary family activities.

R 330.8005(c)

MCL 330.1800(j) defines responsible party as a person who is financially liable for services furnished to the individual. Responsible party includes the individual and, as applicable, the individual's spouse and parent or parents of a minor.

The Department established that the Appellant is a "responsible party" and that he received inpatient psychiatric services provided by the Department for which he is financially liable.

The Department is mandated by state law to determine the Appellant's ability to pay:

- (1) The department or a community mental health services program shall determine an adult responsible party's ability to pay for residential services and inpatient services other than psychiatric inpatient services of less than 61 days by taking into consideration the adult responsible party's total financial circumstances, including, but not limited to, income, expenses, number and condition of dependents, assets, and liabilities.

MCL 330.1819

██████████ testified that the Department completed an ability to pay determination for the Appellant. The Department determined that the Appellant's lump sum ability to pay was ██████████, effective ██████████. On ██████████, the Department completed an annual determination of ability to pay in which it concluded the Appellant's lump sum financial liability was ██████████. The Appellant is not contesting the Department's determination of the Appellant's net assets, or net income, but is contesting the ability to pay amount. ██████████ testified for the Department. ██████████ testified that on ██████████, she completed the Appellant's determination. I make the following findings with regard to that determination.

A. Net Assets.

The Department properly determined the Appellant has ██████████ in net assets.

B. Net Income

The Department determined that the Appellant has no total income, ██████████ in expenses, and ██████████ 0 in protected income and negative ██████████ in Net Income.

The Department's ██████████ determination indicates the Appellant's financial status was as follows: total income of ██████████ expenses of ██████████ and protected income of ██████████. The Appellant's net income was a negative ██████████ and net assets of ██████████. The Appellant's net assets plus his net income resulted in a lump sum ability to pay of ██████████.

The evidence presented in the expenses worksheets indicates that the Appellant has annual expenses of ██████████

1979 AC, R 330.8005(c) defines "Expenses" as follows:

- (c) "Expenses" means the reasonable unreimbursed expenditures of money, actual and estimated, during a financial year to maintain a standard of living essential for one's self and his or her dependents. All of the following are considered necessities:
- (i) Food, clothing, and personal necessities.
 - (ii) Shelter, including utilities and repairs for the upkeep of a homestead.
 - (iii) Employment or business expenses.
 - (iv) Medical services.
 - (v) Taxes.
 - (vi) Elementary, secondary, and postsecondary education.
 - (vii) Repayment of personal financial obligations contractually established before an application was made for services, including such outstanding debts as lease payments, credit card obligations, and other educational or training expenses.
 - (viii) Payments made under a divorce decree or court order.
 - (ix) Transportation to maintain employment and necessary family activities.

The Appellant testified that he filed a request for an administrative hearing because the determination did not properly consider his expenses and consequently they were understated. The Appellant testified that his waste removal and other monthly expenses were not included. ██████████ testified that the ██████████, determination was based on all available financial records provided by the Appellant. ██████████ testified that if the Appellant has other expenses he would likely be considered; he can submit them and they will be considered. ██████████ testified that the ██████████, determination is correct based on the information provided and considered.

I find that the Department provided sufficient evidence to establish that it properly determined the Appellant's ability to pay for inpatient services.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department properly determined the Appellant's financial liability for Mental Health services provided to the Appellant.

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IT IS THEREFORE ORDERED that:

The Department's decision is **AFFIRMED**.

Martin D. Snider
Administrative Law Judge

cc:



Date Mailed: _____ 3-26-12 _____

***** NOTICE *****

The Appellant may appeal the above Decision and Order to the probate court for the county in which he/she lives. The Appellant's appeal to the probate court must be within 60 days from the date of the Decision and Order.