

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201229535  
Issue No.: 2000  
Case No.: [REDACTED]  
Hearing Date: May 21, 2012  
County: Wayne (35)

**ADMINISTRATIVE LAW JUDGE:** Alice C. Elkin

**SETTLEMENT ORDER**

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 telephone hearing was held on May 21, 2012, from Detroit, Michigan. Participants on behalf of Claimant included [REDACTED] Claimant's Authorized Hearing Representative (AHR). Participants on behalf of the Department of Human Services (Department) included [REDACTED], Assistance Payment Supervisor, and [REDACTED] Assistance Payment Worker.

**ISSUE**

Whether the Department properly processed Claimant's May 2011 medical expenses for payment under her Medical Assistance (MA) case.

**FINDINGS OF FACT**

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

1. Claimant was eligible for MA coverage in May 2011 with a \$1053 deductible.
2. Claimant timely submitted to the Department medical expenses of \$7683 she incurred in May 2011.
3. On January 3, 2012, Claimant's AHR filed a request for hearing seeking that the Department activate Claimant's MA coverage for May 2011 and pay her May 2011 medical expenses.

**CONCLUSIONS OF LAW**

Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), the Reference Tables Manual (RFT), and the State Emergency Relief Manual (ERM).

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 1999 AC, Rule 400.3101 through Rule 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 1999 AC, Rule 400.3001 through Rule 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 AACRS, Rule 400.3151 through Rule 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 1999 AC, Rule 400.5001 through Rule 400.5015.

The State Emergency Relief (SER) program is established by 2004 PA 344. The SER program is administered pursuant to MCL 400.10, *et seq.*, and by 1999 AC, Rule 400.7001 through Rule 400.7049. Department policies are found in the State Emergency Relief Manual (ERM).

In the present case, Claimant's AHR requested a hearing to dispute the Department's failure to provide MA coverage for Claimant's May 2011 medical expense. At the hearing, both the Department and Claimant's AHR agreed that, in May 2011, Claimant had MA coverage with a \$1053 deductible and outstanding medical expenses of \$7683. The Department acknowledged that documentation of the May 2011 medical expenses had been timely received by the Department and testified that it had processed the

expenses but was unable to get its system to activate Claimant's MA coverage for May 2011. Accordingly, it issued help desk ticket no. 3092261 to override its system to activate Claimant's May 2011 MA coverage and process the medical expenses for payment. The Department testified that prior to the hearing it believed that Claimant's May 2011 coverage had been activated and Claimant's AHR's concerns addressed but subsequently learned that it had not. However, the Department failed to advise Claimant's AHR prior to the hearing of its actions.

The law provides that disposition may be made of a contested case by stipulation or agreed settlement. MCL 24.278(2).

Despite the Department's agreement to provide the Claimant's MA coverage under the terms indicated above, the Department testified at the hearing that it did not believe a Settlement Order was appropriate. Claimant's AHR did not wish to consent to dismissal of his hearing request in light of the fact that Claimant's MA coverage for May 2011 had not yet been activated. Under the circumstances in this case, a settlement order reflecting the parties' agreement is appropriate. The only other option available would be a hearing decision involving a reversal of the Department's earlier failure to provide coverage that it acknowledged at the hearing Claimant was eligible and qualified to receive.

In this case, the Department agreed to do the following: (i) activate Claimant's MA coverage for May 2011 with a \$1053 deductible; (ii) begin processing, in accordance with Department policy, payment of Claimant's outstanding medical expenses for May 2011 totaling \$7683, less any unmet deductible for the month.

### **DECISION AND ORDER**

The Administrative Law Judge concludes that the Department and Claimant have come to a settlement regarding Claimant's request for a hearing.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING:

1. Activate Claimant's MA coverage for May 2011 with a \$1053 deductible; and
2. Begin processing, in accordance with Department policy, payment of Claimant's outstanding medical expenses for May 2011 totaling \$7683, less any unmet deductible for the month.



**Alice C. Elkin**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: May 30, 2012

Date Mailed: May 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.

ACE/cl

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