

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

IN THE MATTER OF THE CLAIM OF:

[REDACTED]

Reg. No.: 2012 34675  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: June 18, 2012  
Wayne County DHS (76)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**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 June 18, 2012. The claimant appeared and testified. [REDACTED] ES, and [REDACTED], Assistance Payments Supervisor, appeared on behalf of the Department.

**ISSUE**

Whether the Department properly closed the Claimant's Medical Assistance Spend Down case because the deductible had not been met?

**FINDINGS OF FACT**

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

1. The Claimant was a recipient of Medical Assistance and was required to meet a monthly spend down amount of in order to be eligible for Medicaid.
2. The Department issued a Notice of Case Action on 2/1/12, which closed the Claimant's Medical Assistance case, effective 2/29/12, because no bills had been submitted for 3 months.

3. The Department had not received any medical expense receipts since February 2011, when the Claimant was first advised that she would receive a deductible spend down.
4. The Claimant requested a hearing on 2/13/12, protesting the closure of the Medical Assistance Spend Down case.

### **CONCLUSIONS OF LAW**

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. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

Additionally, the Claimant did not submit any medical bills to the Department throughout the period her group was subject to a spend down amount. The Department, by Notice of Case Action dated 2/10/11, advised the Claimant that her medical assistance was changing to a spend down deductible. Exhibit 2. The Claimant testified that she did not receive this Notice of Case Action. The notice was sent to the Claimant at the correct address. The proper mailing and addressing of a letter creates a presumption of receipt. That presumption may be rebutted by evidence. *Stacey v Sankovich*, 19 Mich App 638 (1969); *Good v Detroit Automobile Inter-Insurance Exchange*, 67 Mich App 270 (1976). In this case the Claimant did not indicate that she had previous trouble with her mail and thus it is determined that the notice was received.

A Claimant who is subject to a medical spend down referred to as a deductible amount may become eligible for Medicaid when the medical expenses incurred exceed the excess income amount. BEM 545, Page 8. Each calendar month is a separate deductible period. A recipient meets a deductible amount by reporting and verifying allowable medical expense that meet or exceed the deductible amount. BEM 545 *id.* A medical expense must be incurred and the services rendered for the expense to be counted. BEM 545 Medical coverage is to be added each time a group meets its expenses.

In the instant case the Department closed the Claimant's Medical Assistance Case when it did not receive any medical expense submissions that could be processed and did not meet the deductible in a three month period. BEM 545 provides:

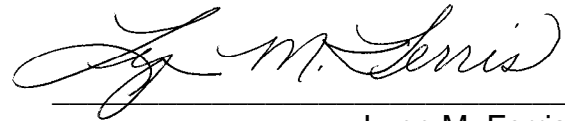
If a group has not met its deductible in at least one of the three calendar months before that month **and** none of the members are QMB, SLM or ALM eligible, Bridges will automatically notify the group of closure. *Id* at page 9.

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The Department based on the evidence presented established that the Claimant had not submitted any verifiable bills for medical expenses within the three months prior to closure and had not met his deductible amount during the three month period, and thus correctly closed the Claimant's Medical Assistance Case. The Department's determination closing the Claimant's Medical Assistance case is AFFIRMED. The Claimant is urged to reapply for Medical Assistance.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law finds that the Department's actions with regard to the closure of the Claimant's Medical Assistance Spend Down case was correct and in accordance with Department policy and is AFFIRMED.



Lynn M. Ferris  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: June 22, 2012

Date Mailed: June 22, 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,

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- 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 to:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

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cc:

