

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

IN THE MATTER OF:

[REDACTED]

Reg. No. 2012- 39000  
Issue No. 2026  
Case No. [REDACTED]  
Hearing Date: June 28, 2012  
Wayne County DHS (19)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; MSA 16.409 and MCL 400.37; MSA 16.437 upon the Claimant's request for a hearing. After due notice a telephone hearing was held on June 28, 2012. The Claimant personally appeared and testified. [REDACTED], ES, appeared and testified on behalf of the Department.

ISSUE

Did the Department properly process the Claimant's medical expenses?

FINDINGS OF FACT

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

1. The Claimant was an ongoing recipient of Medical Assistance subject to a \$288 deductible.
2. The Department entered a medical expense of \$299 that the Claimant did not submit to the Department for reimbursement. The bill was for the amount of \$299 and was entered by the Department into the Bridges system on 12/26/11 to establish Medicaid eligibility as of December 26, 2010 as the Claimant's deductible was met.
3. The Department file did not contain a copy of the \$299 bill.

4. The Claimant never submitted a bill in the amount of \$299.
5. The Claimant submitted a medical bill statement dated 2/22/11 in the amount of \$3305 in the Joy Greenfield office drop box, which was not processed. The date of service for this bill was December 14, 2010.
6. The Department also received a bill in the amount \$3055 on March 14, 2011, which was denied due to no date of service.
7. The Department did not verify the date of service for the bill it received on March 14, 2011, in the amount of \$3055, and did not process the bill.
8. A subsequent bill was received on 4/26/11 which was denied due to the fact that the bill was over 90 days from the date of service, the Claimant's Medicaid became active 12/26/10 and the bill date of service was before Claimant's Medicaid was active.
9. The Claimant requested a hearing on March 5, 2012, protesting the denial by the Department of medical expenses.

#### 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). 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 Bridges Reference Manual (PRM).

In the instant case, the Claimant questions the Department's calculation of her Medical Assistance (MA) deductible and whether certain expenses were properly denied, due to the determination that her Medicaid was effective as of 12/26/10.

A deductible is a process which allows a client with excess income to be eligible for MA 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. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545.

In this case the Claimant seeks to have several bills for medical expenses reimbursed by the Department and deemed eligible. After a thorough review of the documents submitted and the testimony of the parties, it is determined that there is no evidentiary basis for the \$299 medical bill entered into the DHS system to establish the Claimant's Medicaid eligibility date of December 26, 2010. The Department searched its file for the Claimant and found absolutely no bill for this amount, and further the Claimant credibly testified that she did not submit such a bill at any time. The bill was entered by another worker who was not available to testify at the hearing and was from another office. The Claimant's file was transferred another office and to the Claimant's current worker after that bill (\$299) was entered. Given this conclusion the Department improperly entered the bill and incorrectly established the Claimant's Medicaid eligibility as of 12/26/10.

The Claimant credibly testified that she submitted a medical bill in the amount of \$3055 as early as February 22, 2011 to the [REDACTED] District Office drop box, and, thereafter to the current DHS office and her caseworker on March 14, 2012 and numerous times thereafter, so that the bill would be paid. The Claimant also submitted other bills (which were not processed due to the Medicaid eligibility date of 12/26/10) which caused these other bills to be rejected as the date of service for those bills predated 12/26/10. Exhibit 11 and 12. The bill submitted on March 14, 2011 for \$3055

was not processed because the date of service was 12/14/10, which was prior to the Medicaid eligibility date established by DHS (the bill that the Department does not have in its files), and the fact that the bill in question does not contain a date of service. A review of policy BEM 545 requires that the Department must verify the date the expense was incurred (date of service). In this case no verification by the Department was conducted instead the bill was not processed. Given the size of the medical bill (\$3055) and its submission on March 14, 2012, had verification of the date of service been requested by the Department, the Claimant would have had until the end of the month before the 3 month period for submission of the bill to address the lack of date of service information.

BEM 545 provides as a matter of policy the following:

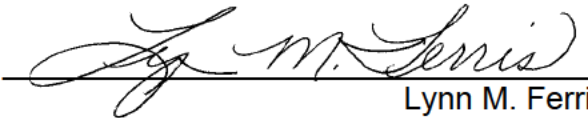
The individual must be given the most advantageous use of the old bills, (also know as incurred expenses). Given the fact that the bill that established eligibility as of 12/26/10 does not exist, and the fact that the Claimant was highly disadvantaged due to its entry, it is determined that the Department must correct the error and process the other bills that were not processed due to the erroneous Medicaid eligibility date. Specifically as regard the \$3055 medical bill, the Department should have verified the date of service and processed the bill accordingly.

#### DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, REVERSES the Department's decision in the instant case.

Accordingly it is ORDERED:

1. The Department shall delete from its system, the medical expense in the amount of \$299, which established the Medicaid onset date as 12/26/10.
2. The Department shall process the following medical bills, \$3055 with a date of service of 12/14/10, \$92, date of service 3/15/10 and \$139 date of service 12/20/10 and determine the Medicaid eligibility date and the eligibility of those bills for reimbursement.

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

Date Signed: July 16, 2012

Date Mailed: July 16, 2012

**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.

cc:



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