

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201248112
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: August 27, 2012
County: Oakland (04)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 telephone hearing was held on August 27, 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], Eligibility Specialist.

ISSUE

Did the Department properly deny application of Claimant's medical expenses submitted to the Department on November 30, 2011 towards his January 2011 deductible?

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's AHR applied for MA coverage for Claimant on February 17, 2011, requesting two months retroactive coverage.
2. Claimant was approved for MA Group 2 coverage on June 7, 2011.
2. Claimant incurred hospital expenses on January 29, 2011, totaling \$9929.
3. Claimant submitted the January 2011 expenses for payment to the Department on several occasions beginning November 30, 2011.

4. The Department attempted to process Claimant's medical expenses in November and December 2011, but the request was denied because the medical bill was submitted more than 90 days after the expense was incurred.
5. Claimant's AHR filed a hearing request on April 17, 2012 disputing the Department's failure to apply MA coverage to the January 2011 medical expenses.

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 ACS, 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.

Additionally, to meet a deductible, an MA client must report and verify allowable medical expenses that equal or exceed the deductible amount for the calendar month being tested by the last day of the third month following the month in which client wants MA coverage. BEM 545. In this case, Claimant's AHR submitted a bill for medical expenses Claimant incurred on January 29, 2011 to the Department on November 30, 2011, and the Department denied coverage for those expenses because they were submitted considerably later than the last day of the third month following January 2011.

At the hearing, Claimant's AHR acknowledged that Claimant's medical bills for expenses incurred in connection with Claimant's [REDACTED] hospitalization were submitted to the Department on November 30, 2011, more than 90 days after the month the expenses were incurred, but contended that its delay was due to the fact that the Department had not notified it that Claimant's MA application had been approved and that Claimant's coverage had been activated. Claimant's AHR, acting as Claimant's Authorized Representative (AR), had applied for MA coverage for Claimant on February 17, 2011. While the Department sent Claimant a Notice of Case Action on June 7, 2011 notifying him of its approval of his MA application, it could not verify that one was sent to Claimant's AHR.

However, the facts in this case indicate that Claimant's AHR was, or should have been, aware of the approval. The Department pointed out that Claimant's AHR applied for MA on behalf of Claimant on February 17, 2011 and, at that time, Claimant had already incurred the [REDACTED] medical expenses, but the Facility Admission Notice concerning those expenses was not included with the application. The Facility Admission Notice signed [REDACTED] for medical expenses incurred on [REDACTED], which was included with Claimant's application, was approved by the Department. The Department also approved the medical expenses incurred by Claimant on [REDACTED], which Claimant's AHR submitted on March 31, 2011. The Department worker credibly testified that she sent the original Facility Admission Notices showing that the Department had approved the expenses back to Claimant's AHR. Under these facts, Claimant's AHR has failed to establish that it did not have timely notice that Claimant's MA application was approved. Thus, the Department acted in accordance with Department policy when it denied Claimant's [REDACTED] expenses submitted on November 30, 2011, well past 90 days after his MA application was approved in June 2011.


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 when it denied Claimant's January 29, 2011, medical expenses submitted on November 30, 2011.

did not act properly when

Accordingly, the Department's decision is AFFIRMED REVERSED for the reasons stated on the record and above.


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

Date Signed: September 7, 2012

Date Mailed: September 7, 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

ACE/hw

cc:

