

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201253061  
Issue No: 2026  
Case No: [REDACTED]  
Hearing Date: July 12, 2012  
Kent County DHS

**ADMINISTRATIVE LAW JUDGE:** Gary F. Heisler

**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 July 12, 2012. Claimant did not appear but was represented by his [REDACTED].

**ISSUE**

Did the Department of Human Services determine the proper level of Medical Assistance (MA) Claimant is eligible for on May 1, 2012?

**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 was an ongoing recipient of Medical Assistance (MA) based on disability.
2. On May 1, 2012, the Department updated Claimant's eligibility to include the addition of his Retirement, Survivors, Disability Insurance (RSDI) benefits to his financial eligibility budget. The budget showed that Claimant's current income required Medical Assistance (MA) coverage of a [REDACTED] deductible. Claimant was sent notice of the determination.
3. On May 10, 2012, Claimant submitted a request for hearing.

**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 (DHS or department) 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).

In this case Claimant's authorized hearing representative did not understand why Claimant was on a deductible. Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

### **BEM 545 MA GROUP 2 INCOME ELIGIBILITY DEPARTMENT POLICY MA Only**

This item completes the Group 2 MA income eligibility process. Income eligibility exists for the calendar month tested when:

- There is no excess income.
- Allowable medical expenses (defined in **EXHIBIT I**) equal or exceed the excess income.

When **one** of the following equals or exceeds the group's excess income for the month tested, income eligibility exists **for the entire month**:

- Old bills (defined in EXHIBIT IB).
- Personal care services in clients home, (defined in [Exhibit II](#)), Adult Foster Care (AFC), or Home for the Aged (HA) (defined in [EXHIBIT ID](#)).
- Hospitalization (defined in EXHIBIT IC).
- Long-term care (defined in EXHIBIT IC).

When **one** of the above does **not** equal or exceed the group's excess income for the month tested, income eligibility begins either:

- **The exact day of the month** the allowable expenses **exceed** the excess income.
- **The day after the day of the month** the allowable expenses **equal** the excess income

### **Meeting a Deductible**

Meeting a deductible means reporting and verifying allowable medical expenses (defined in "XHIBIT I) that equal or exceed the deductible amount for the calendar month tested.

The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. BAM 130 explains verification and timeliness standards.

## Expenses Reported After Coverage Authorized

A group may report additional expenses that were incurred prior to the MA eligibility begin date you calculated for that month.

Do not alter the MA eligibility begin date if you have already authorized coverage on Bridges. However, any expenses the group reports that were incurred from the first of such a month through the day before the MA eligibility begin date might be countable as old bills. See EXHIBIT IB and EXAMPLE 7 in EXHIBIT IV.

### EXHIBIT IB – OLD BILLS

Medical expenses listed under **Medical Services** in “EXHIBIT I can be used as **old bills** if they meet **all** of the following criteria:

- The expense was incurred in a month prior to the month being tested.
- During the month being tested:
  - The expense is/was still unpaid, **and**
  - Liability for the expense still exists (existed).
- A third party resource is **not** expected to pay the expense.
- The expense was **not** previously used to establish MA income eligibility.
- The expense was one of the following:
  - Incurred on a date the person had no MA coverage.
  - **Not** an MA covered service.
  - Provided by a non-MA enrolled provider.
- A member of the medical group incurred the expense. This includes expenses incurred by a deceased person if both:
  - The person was a medical group member's spouse or unmarried child under 18.
  - The medical group member is liable for the expense.

You must give groups that have excess income the opportunity to verify old bills before you start an active deductible case.

Use old bills in chronological order by date of service.

### EXHIBIT IV – MA GROUP 2 CASE EXAMPLES

#### EXAMPLE 7

#### Expenses Reported After MA Coverage Added

Mr. C. has a \$55.00 deductible amount.

- 10/7/01 - Mr. C. reports the following allowable medical expenses:

- 10/1/01 Dentist for filling - \$37.50.
- 10/6/01 Outpatient blood test - \$52.00.
- 10/14/01 - Authorize full MA coverage effective 10/6/01 with Mr. C's liability = \$17.50.
- 10/28/01 - Mr. C. verifies the following additional allowable medical expenses:
  - 10/2/01 Specialist exam - \$75.00
  - 10/2/01 Prescription - \$18.75

Determine that the specialist exam is unpaid. However, Mr. C. paid for the prescription.

Coverage cannot be backdated to an earlier date in 10/01. Therefore, you complete a budget on Bridges for 11/01, counting the \$75.00 expense as an old bill. The paid prescription cost cannot be counted.

Mr. C. meets his deductible for 11/01, based on the \$75.00 old bill. \$20.00 remains as an unused old bill.

Authorize MA coverage for 11/1/01 through 11/30/01 and send Mr. C. a DHS-4598, DHS-114 and DHS-114A.

Claimant's protected income level and financial eligibility budget were checked. The Department used the correct amounts in determining Claimant's level of Medical Assistance (MA) coverage.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact, Conclusions of Law, and for the reasons stated on the record, finds that the Department of Human Services determined the proper level of Medical Assistance (MA) Claimant is eligible for on May 1, 2012.

It is ORDERED that the actions of the Department of Human Services, in this matter, are UPHeld.

/s/  
Gary F. Heisler  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: July 16, 2012

Date Mailed: July 17, 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.

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.

GFH/tb

cc:

