

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2012-56430  
Issue No.: 2028  
Case No.: [REDACTED]  
Hearing Date: September 19, 2012  
County: Wayne (82)

**ADMINISTRATIVE LAW JUDGE:** Susan C. Burke

**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 hearing was held on September 19, 2012, in Detroit, Michigan. Participants on behalf of Claimant included Claimant's Authorized Hearing Representative, [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

**ISSUE**

Did the Department properly process Claimant's request for reimbursement of 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. Claimant  applied for benefits  received benefits for:

- |  |   |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP).  | <input type="checkbox"/> Adult Medical Assistance (AMP).    |
| <input type="checkbox"/> Food Assistance Program (FAP).      | <input type="checkbox"/> State Disability Assistance (SDA). |
| <input checked="" type="checkbox"/> Medical Assistance (MA). | <input type="checkbox"/> Child Development and Care (CDC).  |

2. Claimant has submitted and continues to submit medical bills for a time period in which she was eligible for MA.
3. The Department has not processed the medical bills.
4. On May 31, 2012, Claimant filed a hearing request, protesting the action of the Department.

### **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 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 AACS, 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.

BAM 402, p. 8, instructs:

Enrolled providers are aware of the covered and excluded services available to MA and AMP recipients. Providers must use MA billing procedures to obtain payment for services performed. Billings should be submitted within 12 months from the date of service.

**Twelve Month  
Billing Exceptions**

Exceptions to the 12 month billing policy can be made if the delay is caused by agency error or as a result of a court or administrative hearing decision. Agency errors are limited to:

- Delayed Bridges coding, including level of care changes.
- MRT review.
- SHRT decision.
- Administrative review.
- Delayed eligibility determination.

Exceptions cannot be granted due to provider delays in billing or failure of a recipient or provider to obtain prior authorization. Form MSA-1038, Request for Exception to the Twelve Month Billing Limitation For Medical Services, is an internal document and must be completed by local office staff to begin the exception process. The completed MSA-1038 should be sent to: **1038@michigan.gov**.

A family independence manager, district manager, or other office designee must be copied on the email. A copy of the hearing decision is no longer required, however, the hearing registration number must be indicated on the MSA-1038.

DCH will notify the specialist within 30 days of their decision. If approved DHS will notify providers to bill Medicaid as usual but to enter in the comments section of the claim "MSA 1038 approval on file".

In the present case, Claimant had applied for MA through the Grand River/Warren office of the Department. Claimant, through the hearing process, both at the state and federal level, was determined to be eligible for MA for the period covering November of 2009. Claimant submitted November 2009 medical expenses and has continued to submit the expenses to the Department, but the Department has not processed the medical expenses. The Department representative at the hearing stated that the medical expenses were submitted to the wrong office. However, the Department nevertheless

should have redirected the bills to the proper office, as per BAM 105, the Department is required to protect client rights.

It is noted that the Department raised the issue of timeliness of request for hearing, but since the medical expenses are being continuously submitted by Claimant, Claimant's request for hearing is timely. BAM 600.

Based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, the Administrative Law Judge concludes that the Department did not properly process Claimant's request for reimbursement of medical expenses.

**DECISION AND ORDER**

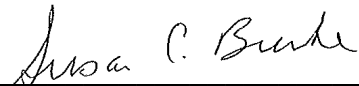
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department

did act properly.  did not act properly.

Accordingly, the Department's  AMP  FIP  FAP  MA  SDA  CDC decision is  AFFIRMED  REVERSED for the reasons stated on the record.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

Initiate processing reimbursement of Claimant's medical expenses, including those of November of 2009, in accordance with Department policy, in particular BAM 402 with respect to MSA-1038.



**Susan C. Burke**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: October 10, 2012

Date Mailed: October 10, 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

SCB/ctl

cc:

[REDACTED]  
Wayne County DHS (82)/1843

S.

[REDACTED]  
Burke