

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201258073
Issue No.: 2018; 2026
Case No.: [REDACTED]
Hearing Date: October 1, 2012
County: Macomb (36)

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 October 1, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED], translator. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly close Claimant's and her husband's Medical Assistance (MA) case with deductible?

Did the Department properly fail to process Claimant's January 2012 medical expenses for payment?

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 and her husband were ongoing recipients of MA coverage with a monthly \$192 deductible.
2. In connection with a May 2012 redetermination, the Department closed Claimant and her husband's MA cases effective June 1, 2012, because they had failed to meet the monthly deductible for the previous three months.

3. On June 8, 2012, Claimant requested a hearing, disputing the Department's actions.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services 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 Mich Admin Code, 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, Claimant's hearing request concerned (i) the closure of her husband's MA case with deductible, and (ii) the Department's failure to process and pay medical expenses her husband incurred in January 2012.

Closure of MA Case

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, the Department must notify the group of closure of the MA case. BEM 545 (July 1, 2011), p 9.

In this case, the Department testified that at the time of the May 2012 redetermination Claimant's husband had last met his deductible in February 2011. Claimant contended that additional medical expenses were incurred in January 2012. However, even if Claimant's testimony was accurate, because Claimant's MA group had not met its deductible in at least one of the three months prior to May 2012 and there was no evidence that anyone in the group was QMB, SLM or ALM eligible, the Department acted in accordance with Department policy when it closed the group's MA coverage effective June 1, 2012.

Processing of January 2012 Medical Expenses

Claimant also sought to have the Department process and pay medical expenses her husband incurred for emergency services performed on January 7, 2012. Meeting a deductible means reporting *and verifying* allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545 (July 1, 2011), p 9 (emphasis added). The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. BEM 545, p 9. Although Claimant testified that she had advised the Department of her husband's medical expenses in late May 2012, the Department credibly testified that it did not receive a copy of the bill until June 8, 2012. Because Claimant reported the January 2012 expenses to the Department no earlier than May 2012 and did not provide verification until June 8, 2012, the Department acted in accordance with Department policy when it did not process and pay Claimant's husband's January 2012 medical expenses.

However, enrolled providers are aware of the covered and excluded services available to MA recipients and have 12 months from the date of service to submit billings. BAM 402 (October 1, 2012), p 8. Therefore, the hospital that provided services to Claimant's husband has twelve months from the date of the January 7, 2012, services to bill the Department for covered services.

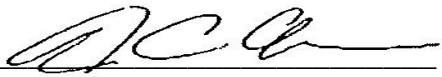
DECISION AND ORDER

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 closed Claimant and her husband's MA cases and failed to process the bill for January 2012 services.

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: 10/17/2012

Date Mailed: 10/17/2012

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. (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:

