

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

IN THE MATTER OF:



Reg. No.: 201331223
Issue No.: 2012
Case No.:
Hearing Date: May 30, 2013
County: Oakland County (#02)

ADMINISTRATIVE LAW JUDGE: MICHELLE HOWIE

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 conducted on Thursday May 30, 2013 from Detroit, Michigan. The Claimant appeared and testified. Participant on behalf of Department of Human Services (Department) was (Assistant Payment Supervisor).

ISSUE

Whether the Department properly processed the Claimant's request for Medicaid reimbursement?

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 had ongoing MA coverage (Health Kid) for her dependent son.
2. In June 2010, the Department incorrectly stopped MA coverage for the son when Claimant moved to another address. The MA case was subsequently reopened in September 2010 but no retro MA coverage was put on the system.
3. On July 21, 2010 Claimant's son received MA covered services at Hospital.

4. On May 25, 2012, the Department received the Claimant's written hearing request regarding her receipt of outstanding bills from the hospital for services rendered to her son in July 2010. Claimant requested retroactive MA coverage for the period in question and payment of the outstanding bills (Exhibit 4)
5. On June 1, 2012, the Department sent Notice of Case Action notifying Claimant that her son was approved retro MA coverage for July 2010 through August 31, 2010 and November 2011 and ongoing. (Exhibit 1)
6. On June 5, 2012, the Department received Claimant's written Hearing Request Withdrawal, based on the Department changing its action and agreeing to provide retro MA coverage for her son from July 2010 through July 2011. (Exhibit 5)
7. The Department approved a Request for Exception to the 12 month Billing Limitation for Medical Services (MSA-1038) for the periods of July 2010 through May 2011. (Exhibit 3)
8. On February 5, 2013, the Claimant received a letter from an attorney bill collector stating that although the Department worker had contacted the attorney's office indicating that Claimant had retroactive MA coverage for the period of the outstanding bills, the hospital was unable to bill the claims without written confirmation. (Exhibit 2)
9. On February 15, 2013, the Department received Claimant's written hearing request concerning the Department paying the medical bills.
10. Claimant paid the medical bills due to court proceedings. She seeks reimbursement from the Department for the paid bills.

CONCLUSIONS OF LAW

The Department of Human Services (DHS) policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT). 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.

Policy provides that a client may be eligible for reimbursement of medical expenses paid to providers for a retroactive eligibility period or a corrective action period. A medical payment for care or services received in a client's retroactive period may be reimbursable if it is made between a DHS denial and 10 days after the date an eligibility determination is issued as a result of the hearing request. BAM 600 (February 1, 2013), p. 16. The corrective action period covers medical expenses paid to providers between the date a DHS administrative hearing request is filed and 10 days after the date an

eligibility determination is issued as a result of the hearing request. The client must show that the original denial was incorrect for corrective action reimbursements. BAM 600

When the Department receives a hearing request based on a Medicaid denial it is required to provide the client a DHS-333 Retroactive Period/Corrective Action Eligibility Notice. This notice explains the potential for reimbursement of paid medical expenses and the procedure to follow to request reimbursement of paid medical bills from the Department of Community Health (DCH) after a DHS denial that is overturned on appeal by DHS, an ALJ, or a court. For a client to be eligible for reimbursement, the payment must be for a Medicaid-covered care or service that is provided on, or after, February 2, 2004. If the client is notified of an overturned Medicaid eligibility decision, the Department is to provide the client with a DHS-334, Reimbursement Notice. BAM 600, p. 33.

In this case, the Department admittedly did not timely activate Claimant's son's retro MA coverage for July 2010 for reasons unclear on this record. As a result, the outstanding hospital bills were not paid and thus went to collection proceedings. On June 1, 2012, after Claimant requested a hearing on the issue the Department sent Claimant notice of eligibility for retro MA coverage for the period in question. It appears that an exception to the 12 month billing limitation form (MSA- 1038) was completed, as required, to begin the exception process, but there is nothing in the record that indicates the process was completed. Further, the Department did not provide Claimant with either a DHS-333 Corrective Action Eligibility Notice or a DHS-334 Reimbursement notice. The notices would have explained to the Claimant how to get Medicaid payment from the Department of Community Health for medical care or services received during the established MA eligibility period. Claimant subsequently paid the medical bills out of her own pocket due to being involved in collection proceedings. Based on the record, I find the Department did not establish that it acted in accordance with policy in the processing of Claimant's request for MA payment of medical bills.

Accordingly, the Department action is not upheld.

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 not act properly when it processed the Claimant's retro MA coverage in June 2012.

Accordingly, the Department's MA determination is hereby, **PARTIALLY REVERSED.**

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

1. The Department shall initiate the processing of the Claimant's request for reimbursement for paid medical bills in accordance with policy by sending a DHS-45, DHS to DCH/ MICHild /FTW, transmittal and a copy of the DHS-334,

Reimbursement Notice that is sent to the client to:

Department of Community Health
Medical Services Administration
Eligibility Quality Assurance Section /Reimbursement
400 S. Pine St., 5th floor
Lansing, MI 48913

2. The Department shall issue the Claimant a DHS-334 Reimbursement Notice in accordance with department policy.

M. Howie

Michelle Howie
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 6/18/2013

Date Mailed: 6/18/2013

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

201331223/MH

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

MH/hw

cc:

