

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-35539  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: June 20, 2013  
County: Wayne (82-31)

**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 June 20, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED]

**ISSUE**

Did the Department fail to properly activate Claimant's Medical Assistance (MA) coverage for February 2013 and March 2013 based on medical expenses submitted by Claimant?

**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 MA benefits subject to a monthly \$100 deductible.
2. In February 2013 and March 2013, Claimant submitted to the Department a handwritten list of her prescription medication and cost from her local pharmacy, as well as a note from her doctor advising the Department that her medications were necessary to avoid medical complications. Exhibits A and B.
3. The Department did not activate Claimant's MA coverage for February 2013 or March 2013.

4. On March 8, 2013, Claimant filed a request for hearing disputing the Department's actions concerning her MA case.

### **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 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.

At the hearing, Claimant testified that she had requested a hearing concerning the Department's failure to activate her MA coverage for February 2013 and March 2013 after she submitted documentation concerning her prescription expenses. Claimant clarified on the record that she was not disputing the calculation of her \$100 monthly MA deductible, only the Department's failure to activate coverage based on the documentation she provided.

In determining the MA eligibility of a client with a monthly deductible, unless the client has expenses from old bills, personal care services, hospitalization or long-term care that exceed the deductible amount, the Department must consider the medical group's allowable medical expenses for the month. BEM 545 (July 2011), pp. 1-5. Prescription medications are allowable medical expenses. BEM 545, p. 13.

To meet a deductible, the client must report and verify allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, p. 9. While the Department must send a Deductible Report (DHS-114A) to the group with every deductible Notice (DHS-114), the client is not required to use the DHS-114A to report incurred medical expenses. BEM 545, p. 11. Before the Department may use an allowable medical expense to determine MA eligibility, the Department must verify the date the expense incurred and the amount of the expense. BEM 545, p. 12. Sources to verify an incurred expense include (i) bill from medical provider, (ii) receipt from medical provider, and (iii) contact with medical provider or the provider's billing service. BEM 545, p. 12.

In this case, Claimant credibly testified that she provided to the Department in February 2013 a handwritten list prepared by a [REDACTED] employee listing the medications she took monthly, with cost, signed [REDACTED] and a telephone number at the bottom of the list. Claimant credibly testified that she faxed a similar list to the Department on March 19, 2013, showing the same prescriptions and expenses for the month, and presented a fax confirmation that showed that the list was sent and received by the Department that day. Claimant provided a copy of the March 19, 2013,


list into evidence and testified that she wrote her name and telephone number at the top right-hand corner of the paper in order for her worker to be aware that the document came from her.

At the hearing, the Department testified that the handwritten list of medications and cost was not adequate verification of the medical expense to trigger activation of Claimant's MA case. The list provided by Claimant does not list the date the cost was incurred, and it is not a bill or a receipt. Because the documentation presented by Claimant was not sufficient to verify that Claimant had incurred the prescription expenses and the date those expenses were incurred, the Department acted in accordance with Department policy when it failed to activate Claimant MA coverage for February 2013 and March 2013.

### **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 acted in accordance with Department policy when it failed to activate Claimant's MA coverage for February 2013 and March 2013.

Accordingly, the Department's decision is AFFIRMED.

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

Date Signed: June 25, 2013

Date Mailed: June 25, 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 affect 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/pf

cc:

