

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201343520
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: July 3, 2013
County: Jackson

ADMINISTRATIVE LAW JUDGE: Susanne E. Harris

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 three-way telephone hearing was held on July 3, 2013, from Lansing, Michigan. Participants on behalf of Claimant included her Authorized Representative (AR) [REDACTED]. Participants on behalf of Department of Human Services (Department) included Assistance Payments Supervisor, [REDACTED] and Family Independence Specialist [REDACTED].

ISSUE

Did the Department fail to act to process the Claimant's medical bills once the Department had established the Claimant's deductible on her Medical Assistance (MA) case?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On July 9, 2012, the Department sent the Claimant a DHS-1605, Notice of Case Action establishing the Claimant's deductible for April, May and June of 2012.
2. On or about July 23, 2012, [REDACTED] submitted the Claimant's medical bills for her [REDACTED] for April 24, 2012, May 22, 2012 and June 14, 2012. The Department did not act on the bills submitted.
3. On September 17, 2012, [REDACTED] requested a hearing to activate the MA coverage for which the Claimant had been approved.
4. On September 25, 2012, the Department prepared a hearing summary requesting that a hearing not be scheduled until an eligibility determination had been made.

5. [REDACTED] testimony at hearing was that the September 17, 2012 hearing request was not acted upon, as the Michigan Administrative Hearing System (MAHS) issued a letter to the parties indicating that the issue had been resolved. [REDACTED] further testified that the MA coverage for the dates in question had still not been activated.
6. On April 19, 2013, the Department received another hearing request from [REDACTED] again requesting that the Claimant's approved MA coverage be activated and that the Claimant's medical bills be processed.
7. On April 30, 2013, the Department prepared a hearing summary requesting that a hearing not be scheduled.
8. On May 6, 2013, MAHS Executive Director, [REDACTED] issued a letter instructing the presiding Administrative Law Judge to first consider the timeliness of the issues raised in the hearing request.

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 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 2000 AACS, 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.

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, 1999 AC, R 400.901 through Rule 400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because a claim for assistance is denied or is not acted upon with reasonable promptness, and to any recipient who is aggrieved by a Department action resulting in suspension, reduction, discontinuance, or termination of assistance. Rule 400.903(1). A request for hearing shall be in writing and signed by the claimant, petitioner, or authorized representative. Rule 400.904(1).

The Bridges Administrative Manual (BAM) 600, p. 4, provides in relevant part as follows:

The client or authorized hearing representative has 90 calendar days from the date of the written notice of case action to request a hearing. The request must be received anywhere in DHS within the 90 days.

Based on the hearing summary dated September 25, 2012, it appears, for reasons not revealed during the hearing, that the Department wishes to revisit its eligibility determination of July 9, 2012. The first hearing request from [REDACTED] was received within 90 days of the DHS-1605, Notice of Case Action approving MA coverage with a deductible. That hearing request was filed timely; however, it was not acted upon because ultimately, the MAHS had determined the issue was resolved. To this date, the issue remains unresolved. On April 19, 2013, [REDACTED] therefore filed another hearing request to address the issue of the Claimant's MA coverage being activated. This Administrative Law Judge is loath to dismiss this case based on a timeliness issue when it is clear that the Department has not activated the Claimant's MA coverage for which the Claimant was approved a year ago.

Having conducted the hearing, the Administrative Law Judge remains unclear as to why it is that the MA coverage has not been activated or why it is that the Department now wishes to redetermine the Claimant's eligibility for MA. Regardless, once a DHS-1605, Notice of Case Action has issued, failure to act for almost a year is not in accordance with any Standard of Promptness that can be found in departmental policy. Furthermore, after a thorough search of departmental policy, the Administrative Law Judge found no provision that allows the Department to revisit an eligibility determination which resulted in an approval for MA. The record does not establish why it is that the eligibility decision would need to be revisited in the first instance. Indeed, Bridges Administrative Manual (BAM) 115 (2012 and 2013) p. 25 provides that even if the Department made an error in processing the Claimant's case, the period of erroneous coverage **cannot** be removed from or reduced in Bridges. Therefore, the Department's failure to process the Claimant's medical bills subject to the deductibles

specified in the July 9, 2012 DHS-1605, Notice of Case Action is not in accordance with departmental policy.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law finds that the Department did act properly. did not act properly when failing to process the Claimant's medical bills.

Accordingly, the Department's decision to delay processing the Claimant's medical bills is **reversed**.

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

1. Initiate action to process the Claimant's medical bills from April, May and June of 2012 in accordance with the deductibles listed in the July 9, 2012, DHS-1605, Notice of Case Action, and
2. Initiate action to issue the Claimant any supplement she may thereafter be due.

/s/
Susanne E. Harris
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 7/11/13

Date Mailed: 7/11/13

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

SEH/tb

cc:

