

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201333410
Issue No.: [REDACTED]
Case No.: [REDACTED]
Hearing Date: August 22, 2013
County: Delta

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon Claimant's request for a hearing. After due notice, a hearing was held on August 22, 2013. Claimant and his authorized hearing representative [REDACTED] appeared and testified. The Department was represented by [REDACTED].

ISSUE

Did the Department of Human Services properly process Claimant's medical expenses for August 2012?

FINDINGS OF FACT

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

- (1) On October 10, 2012, [REDACTED] submitted an application for Medical Assistance (MA) including retroactive, on Claimant's behalf.
- (2) On January 9, 2013, Claimant was approved for deductible Medical Assistance (MA) coverage from July 1, 2012.
- (3) On January 22, 2013, Claimant submitted medical bills from August 2012.
- (4) On February 19, 2013, Claimant was sent a Notice of Case Action (DHS-1605) which stated his deductible was not met for August 2012 because he did not submit the expenses timely.
- (5) On March 4, 2013, Claimant submitted a request for hearing.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by 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 (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

In this case the Department asserts that Claimant did not submit the August 2012 medical expenses within 3 months of August 2012 as required in Department of Human Services Bridges Eligibility Manual (BEM) 545 (2011). The Department used the August 2012 medical expenses as "old bills" and determined that Claimant met his deductible for October 2012 through April 2013. L&S Associates argues that BEM 545 does not apply the 3 month time limit to months prior to the month of processing the application.

Department of Human Services Bridges Eligibility Manual (BEM) 545 MA Group 2 Income Eligibility (2011) page 1 states:

This item completes the Group 2 MA income eligibility process.

Income eligibility exists for the calendar month tested when:

- There is no excess income.
- Allowable medical expenses equal or exceed the excess income.

When one of the following equals or exceeds the group's excess income for the month tested, income eligibility exists for the entire month:

- Old bills
- Personal care services in clients home
- Hospitalization
- Long-term care

Department of Human Services Bridges Eligibility Manual (BEM) 545 MA Group 2 Income Eligibility (2011) pages 8 & 9 Deductible, states that meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested and that the group must report expenses by the last day of the third month following the month in which the group wants MA coverage. This section also states that the first deductible period cannot be earlier than the processing month for applicants and is the month following the month for which MA coverage is authorized for recipients. In this case August 2012 is earlier than the processing month for Claimant's application. August 2012 IS NOT a deductible period for Claimant. Therefore the deductible rules for meeting a deductible are not applicable to Claimant's August 2012 medical expenses.

Department of Human Services Bridges Eligibility Manual (BEM) 545 MA Group 2 Income Eligibility (2011) provides the process for determining income eligibility for Non L/H Past and Processing Months using old bills on pages 2 & 3.

Use these instructions to determine Group 2 income eligibility for each non-L/H past and processing month with excess income.

Old Bills

1. Compare the **medical group's** allowable old bills (defined in EXHIBIT IB) to the excess income.

- If there are no old bills, go to 2.
- If there are old bills and they total **less** than the excess income, subtract the old bills to get the remaining excess income. Go to 3.
- If the old bills equal or exceed the excess income, subtract the excess income from the allowable old bills to get the unused old bills.

Income eligibility exists for the entire month tested, and:

- If this is a past month, stop.
- If this is the processing month, go to NON-L/H FUTURE MONTH.

In this case the Department did not follow their own policy regarding Claimant's August 2012 medical expenses. The policy cited above requires that Claimant's August 2012 medical expenses be used to determine his income eligibility for August 2012 as a non L/H past month.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services DID NOT properly process Claimant's medical expenses for August 2012.

It is ORDERED that the actions of the Department of Human Services, in this matter, are **REVERSED**.

It is further ORDERED that the Department reprocess Claimant's medical expenses for August 2012 in accordance with the policy cited above and issue a new Notice of Case Action (DHS-1605) regarding the medical expenses.

/s/

Gary F. Heisler
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: 08/29/2013

Date Mailed: 08/29/2013

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

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

GFH/sw

cc:

