

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-33426  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: June 10, 2013  
County: Wayne (82-41)

**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 10, 2013, from Detroit, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

**ISSUE**

Did the Department properly deny Claimant's request for Medical Assistance (MA) coverage for medical expenses incurred in July 2012 and submitted with an October 31, 2012, filing form?

**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 October 31, 2012, Claimant's AHR filed a filing form for Claimant's MA application and attached a Facility Admission Notice dated [REDACTED], for medical expenses incurred during Claimant's [REDACTED] hospitalization.
2. On November 19, 2012, Claimant's AHR submitted a completed MA application and a retroactive MA application requesting MA coverage for Claimant from July 2012 ongoing. A copy of the Facility Admission Notice for the [REDACTED] hospitalization was included with the applications.

3. On December 7, 2012, the Department approved the MA application, with retroactive coverage to [REDACTED], subject to a monthly deductible.
4. The Department did not provide coverage for Claimant's [REDACTED], medical expenses.
5. On February 25, 2013, Claimant's AHR filed a request for hearing concerning the Department's failure to activate Claimant's MA coverage for the [REDACTED] medical expenses.

### **CONCLUSIONS OF LAW**

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

In this case, Claimant incurred medical expenses totaling \$13,145.13 between [REDACTED] [REDACTED]. The evidence established that these expenses were first reported and verified to the Department on October 30, 2012, when Claimant's AHR filed a filing form for Claimant preserving the MA application filing date and submitted a Facility Admission Notice evidencing the [REDACTED] expenses. The Department testified at the hearing that it approved Claimant for MA coverage, with a deductible, effective [REDACTED], ongoing, but it did not activate MA coverage for Claimant's medical expenses incurred in [REDACTED] because the bill for those expenses was submitted to the Department on October 30, 2012, more than 90 days after the services were rendered and the expenses were incurred.

The AHR disputed the Department's conclusion, contending that there was no Department policy requiring that clients submit medical expenses within 90 days of the date of service. Rather, the AHR relied on BEM 545 (July 2011), p. 9, which provides that a client "must report expenses by the last day of the third month following the month in which the group wants MA coverage." A review of Department policy concerning MA coverage for medical expenses shows that, consistent with the AHR's argument, a client must submit verification of medical expenses by the last day of the third month following the month the group wants MA coverage. The Department's reliance on one of the examples in BEM 545 to support its argument that a bill must be submitted within 90 days of the date services are incurred concerned the closure of a client's MA case when the deductible is not met for three months (BEM 545, p. 23) and

is not applicable to the present circumstances. Furthermore, although the Department contended that Claimant's [REDACTED] bill was an old bill that could be applied to satisfy Claimant's ongoing MA deductible, old bills must have expenses incurred on a date the person had no MA coverage. BEM 545, p. 16. Because the Department testified that Claimant had MA coverage on [REDACTED], the medical expense at issue did not qualify as an old bill. Because (i) Claimant wanted MA coverage for [REDACTED] expenses, (ii) these expenses were reported and verified on October 30, 2012, and (iii) October 2012 is the third month after [REDACTED], the Department did not act in accordance with Department policy when it did not activate Claimant's MA coverage, subject to the deductible, for the [REDACTED] medical expenses.

### **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 in accordance with Department policy when it failed to activate Claimant's MA coverage, subject to the deductible, for Claimant's [REDACTED] medical expenses.

Accordingly, the Department's decision is REVERSED.

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

1. Activate Claimant's MA coverage for [REDACTED]; and
2. Begin processing payment of the October 30, 2012, Facility Admission Notice to the provider in accordance with Department policy and consistent with this Hearing Decision.

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

Date Signed: June 17, 2013

Date Mailed: June 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 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:

