

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201334630
Issue No.: 2019
Case No.: [REDACTED]
Hearing Date: May 29, 2013
County: Wayne DHS (35)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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, an in-person hearing was held on May 29, 2013, from Detroit, Michigan. Participants included the above-named claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist, and [REDACTED], Specialist.

ISSUE

The issue is whether DHS properly failed to process Claimant's medical expenses towards a deductible based on the submission date of the expenses.

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 MA benefit recipient.
2. Claimant was eligible for Medicaid subject to a deductible for the months of 10/2010, 11/2010, 3/2011, 4/2011 and 11/2011.
3. On 12/28/10, a Medicare Summary (Exhibits 1-4) for expenses from 10/2010 was mailed to Claimant.
4. On 2/22/11, a Medicare Summary (Exhibits 5-8) for expenses from 10/2010 and 11/2010 was mailed to Claimant.

5. On 3/14/11, Claimant submitted proof of 10/2010 and 11/2010 expenses to DHS.
6. On 3/4/13, Claimant requested a hearing to compel DHS to apply the previously submitted medical expenses towards Claimant's deductible.

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). DHS 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 Reference Tables Manual (RFT).

Claimant requested a hearing to dispute the DHS failure to apply medical expenses towards Claimant's Medicaid deductible. DHS stated that Claimant took too long to submit the expenses to justify applying the expenses towards the deductible in the month that the expenses were incurred.

Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545 (1/2011), p. 9. The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. *Id.* BAM 130 explains verification and timeliness standards. *Id.*

Claimant alleged that DHS failed to apply medical expenses towards his deductible in the benefit months of: 10/2010, 11/2010, 3/2011, 4/2011 and 11/2011. During the hearing, Claimant presented medical expenses from 10/2010 and 11/2010 (Exhibits 1-9). Claimant was given an opportunity following the hearing to submit proof of other medical expenses. After the hearing, Claimant submitted proof of expenses from 3/2012 and 4/2012. Presumably, Claimant misspoke when he stated that DHS failed to process expenses from 3/2011 and 4/2011.

During the hearing, DHS was not asked about medical expenses from 3/2012 or 4/2012 because Claimant never alleged having such expenses. DHS cannot reasonably be expected to respond to allegations by Claimant when Claimant cannot even accurately cite the allegations. Accordingly, Claimant is not entitled to an administrative remedy for medical expenses from 3/2012 and 4/2012, due to the failure to correctly cite the months as benefit months in dispute.

This leaves Claimant with the benefit months of 10/2010, 11/2010 and 11/2011. DHS testimony implied that Claimant failed to verify medical expenses within three months of incurring them. The above cited DHS policy only requires that a client report the expenses within three calendar months, not verify the expenses. Claimant credibly testified that he reported medical expenses within three months after incurring the expenses. Once the expenses were reported, the obligation shifts to DHS to verify the expenses.

For all programs, DHS is to tell the client what verification is required, how to obtain it, and the due date. BAM 130 (1/2011), p. 2. DHS is to use the DHS-3503 (Verification Checklist) to request verification. *Id.*, pp. 2-3.

Until DHS requests proof of the expenses, via VCL, a client does not have an obligation to verify expenses. There is no evidence that DHS ever sought verification of Claimant's medical expenses. Based on the presented evidence, it is found that DHS improperly failed to request proof of Claimant's medical expenses for the months of 10/2010, 11/2010 and 11/2011. Accordingly, Claimant is not precluded from meeting the Medicaid deductible in those months due to untimely reporting.


DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that Claimant failed to adequately inform DHS of a benefit dispute for the months of 3/2012 and 4/2012. Claimant's hearing request is PARTIALLY DISMISSED.

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly failed to request proof of Claimant's reported expenses from 10/2010, 11/2010 and 11/2011. It is ordered that DHS:

- (1) request proof of Claimant's medical expenses from 10/2010, 11/2010 and 11/2011 via Verification Checklist; and
- (2) process Claimant's MA eligibility subject to the finding that Claimant timely reported medical expenses for each of the above months.

The actions taken by DHS are REVERSED.


Christian Gardocki
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 6/20/2013

Date Mailed: 6/20/2013

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

CG/w

cc:

