

4. On January 8, 2013, the Department sent Claimant a Verification Checklist (VCL) requesting that she submit verification of her bank statements and other assets to the Department by January 18, 2013. (Exhibit 1).
5. Claimant had difficulty obtaining the requested verifications and requested extensions for the due date, three of which were granted. (Exhibit 2)
6. On February 20, 2013, the Department sent Claimant an Application Eligibility Notice informing her that her MA deductible for April 2011 was denied based on a failure to provide proof of bank account information. (Exhibit 3).
7. On April 29, 2013 Claimant filed a hearing request disputing the Department's actions.

CONCLUSIONS OF LAW

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

Deductible is a process which allows a client with excess income to become eligible for MA if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. BEM 545 (July 2011), p. 8. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. BEM 545, p. 9. Prior to the Department using an allowable medical expense to determine eligibility, it must verify the date the expense was incurred, the amount of the expense, and the current liability for an old bill, among other things. BEM 545, p. 11. Additionally, for MA cases, the Department is to verify the value of countable assets at application, redetermination and when a change is reported. BEM 400 (January 2013), p. 43.

In this case, Claimant had an active MA case under a deductible based MA program and on June 7, 2011, submitted medical bills that were incurred in April 2011 to establish that she had met her deductible for that month. The Department failed to process these medical expenses and apply them towards Claimant's deductible and instead, requested that Claimant submit verification of her assets to determine her MA eligibility for the month of April 2011. Because Claimant was unable to provide the requested asset verifications by the due date, the Department denied her request to have the medical bills incurred applied to her April 2011 MA deductible.

At the hearing, Claimant testified that her eligibility for MA for the period of April 2011 through June 2011 was already determined, that she was approved for MA and that she had an open and active MA deductible case. Claimant stated that verification of her assets should not have been requested as there was no application, redetermination or reported change. BEM 400, p. 43. The Department testified that it considered the submission of the medical bills a reported change and requested asset verifications as required under BEM 400. This is not correct. Claimant reported the expenses and submitted the medical bills for April 2011 in June 2011, prior to the three month deadline, according to BEM 545, p. 9. Medical bills are not to be considered a reported change that impact MA eligibility and require asset verification. Claimant was already deemed eligible for MA for the period at issue. Therefore, the Department did not act in accordance with Department policy when it failed to apply medical expenses to Claimant's deductible for a period of time in which she had active and ongoing MA coverage.

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 processed Claimant's MA case and denied her MA for April 2011. 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 the appropriate MA benefits for Claimant for the period of April 2011 ongoing, in accordance with Department policy and consistent with this Hearing Decision;
2. Reprocess Claimant's medical expenses that were incurred in April 2011 and apply them towards Claimant's deductible from April 2011 ongoing, in accordance with Department policy and consistent with this Hearing Decision; and
3. Notify Claimant of its decision in writing in accordance with Department policy.



Zainab Baydoun

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

Date Signed: July 25, 2013

Date Mailed: July 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:
 - 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

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