

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201418492
Issue No.: 2000; 3000; 4000
Case No.: [REDACTED]
Hearing Date: January 16, 2014
County: Wayne (43)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on January 16, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED], Claimant's mother. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Family Independence Manager, and [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly calculate Claimant's Medical Assistance (MA) monthly deductible?

Did the Department properly apply Claimant's medical bills to her monthly deductible?

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 is an ongoing recipient of MA benefits under the Group 2 Aged, Blind, Disabled (G2S) program.
2. Claimant's MA coverage is subject to a monthly deductible, which fluctuates from month to month.
3. On [REDACTED], 2013, Claimant filed a request for hearing concerning cash, MA and Food Assistance Program (FAP) benefits.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

Additionally, Claimant requested a hearing concerning MA, cash and FAP. At the hearing, she testified that she does not receive cash and had erroneously marked the hearing request for cash. She also testified that she understood the Department's actions concerning her FAP benefits. Claimant testified that she did not wish to pursue a hearing concerning cash and FAP and agreed to dismiss her [REDACTED], 2103 hearing request concerning those programs. The Department agreed to the dismissal. Accordingly, Claimant's hearing request concerning cash and FAP is dismissed. The hearing proceeded to address Claimant's MA issues.

Two issues were presented at the hearing: (1) the calculation of Claimant's monthly MA deductible and (2) the application of Claimant's medical expenses to her monthly deductible.

Calculation of Monthly Deductible

The Department presented an eligibility summary that showed that Claimant's MA deductible in 2013 ranged from a low of \$573 in [REDACTED] 2013 to a high of \$688 in [REDACTED] 2013 and [REDACTED] 2013. The Department testified that the changes were due to changes in Claimant's income. However, Claimant testified that her only income was her monthly Retirement Survivors and Disability Income (RSDI) benefit, which was about \$1180 all through 2013. Because the Department was unable to establish why Claimant's monthly MA deductible fluctuated, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it calculated Claimant's monthly deductible in 2013.

Application of Medical Expenses to the Monthly Deductible

Claimant was concerned that she continued to receive overdue bills from creditors for medical bills she had submitted to the Department for payment.

The evidence presented by the Department showed that Claimant had met her deductible for [REDACTED] 2013 through [REDACTED] 2013. However, the Department did not present any evidence showing what bills had been used to meet her deductible. The Department testified that Claimant had both old bills and currently incurred bills.

Department policy provides that, in determining whether a deductible is met, the Department must consider the expenses in the following order: (1) old bills, (2) personal care services, (3) long-term care expenses, (4) inpatient hospitalizations, and (5) all remaining medical expenses. BEM 545 (July 2013), pp. 3-4. The Department activates coverage for the client when the expenses, considered in the order listed, equal or exceed the deductible amount. BEM 545, pp. 3-4. If the client's old bills equal or exceed her deductible amount for the month tested, income eligibility exists for the entire month. BEM 545, p 1. Clients must be given the most advantageous use of their old bills, and if the total bills exceed the clients' deductible, the bill may be applied to the deductible for the current month, and up to three prior months and six future months. BEM 545, p. 2, 6. Old bills must be processed in accordance with BEM 545, pp 2-3, 7-8, 9-10, 19. It is noted that expenses that were previously used to establish MA income eligibility or that were incurred on a date the person had MA coverage are not "old bills" under policy. BEM 545, p. 19.

In this case, the Department has failed to establish that it properly applied Claimant's old bills and currently incurred medical expenses to her deductible. At the hearing, the Department acknowledged that there appeared to be errors in the processing of Claimant's MA case.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it calculated Claimant's monthly MA deductible and applied submitted medical expenses and old bills to the deductible.

DECISION AND ORDER

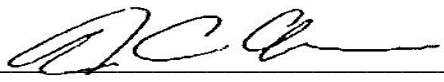
Based on the parties' agreement, Claimant's [REDACTED], 2013 hearing request concerning cash and FAP is DISMISSED.

The Department's MA decision is REVERSED.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Recalculate Claimant's monthly MA deductible for [REDACTED] 2013 through [REDACTED] 2013;
2. Reprocess Claimant's medical bills, both old bills and currently incurred bills, for 2013;
3. Provide Claimant with MA coverage she is eligible to receive through 2013; and

4. Notify Claimant in writing of its decision.


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

Date Signed: January 22, 2014

Date Mailed: January 22, 2014

NOTICE OF APPEAL: 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.

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).

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

ACE/tlf

cc:

