

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-11766  
Issue No.: 2004  
Case No.: [REDACTED]  
Hearing Date: January 23, 2014  
County: Wayne (15)

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**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 23, 2014, from Detroit, Michigan. Participants included [REDACTED] of [REDACTED] as Claimant's authorized hearing representative (AHR). Participants on behalf of the Department of Human Services (DHS) included [REDACTED], Supervisor, and [REDACTED], Specialist.

**ISSUES**

The first issue is whether Claimant is barred from pursuing an administrative hearing due to timeliness of the hearing request and/or a previous administrative hearings withdrawal.

The second issue is whether DHS properly failed to process medical bills towards a Medicaid 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 was eligible for Medicaid subject to an unspecified deductible for the benefit month of [REDACTED].

2. In [REDACTED], Claimant's AHR submitted Claimant's medical bills (see Exhibit 1) from [REDACTED] for the purpose of having DHS apply the bills towards Claimant's deductible.
3. DHS failed to process Claimant's medical bills from [REDACTED].
4. On an unspecified date, Claimant's AHR requested a hearing to dispute the failure by DHS to process Claimant's medical expenses.
5. Claimant's AHR subsequently withdrew the hearing subject to the agreement that DHS will apply the itemized bills for [REDACTED] in order to reduce Claimant's deductible and become MA eligible (see Exhibit 2).
6. DHS failed to process Claimant's medical expenses from [REDACTED].
7. On [REDACTED], Claimant requested a hearing to dispute the continued failure by DHS to process Claimant's medical expenses from [REDACTED] towards Claimant's deductible.

### **CONCLUSIONS OF LAW**

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

Prior to a substantive analysis of the hearing request, it should be noted that the request noted special arrangements in order for Claimant to participate and/or attend the hearing.; specifically, a telephone hearing was requested. The request was granted and the hearing was conducted accordingly.

Claimant's AHR requested a hearing to dispute the failure by DHS to process medical expenses towards Claimant's Medicaid deductible for 2/2010. Two procedural issues were asserted by DHS, which may preclude Claimant from administrative relief.

It was not disputed that Claimant's AHR previously requested a hearing and withdrew the hearing request. Generally, clients are barred from requesting hearings on an issue that was previously resolved by a hearing request withdrawal. The present case merits an exception to the general rule. Claimant's AHR presented a Hearing Request Withdrawal (Exhibit 1) which stated that a previous hearing request was only withdrawn because DHS agreed to process Claimant's medical expenses for [REDACTED]. It would be

immensely unjust to bar Claimant from further hearing requests when the withdrawal was based on DHS' broken promise.

DHS also alleged that Claimant's hearing request was untimely. The client or authorized hearing representative has 90 calendar days from the date of the written notice of case action to request a hearing. BAM 600 (7/2013), p. 4.

DHS cited a Notice of Case Action dated [REDACTED] in support of their allegation. The Notice of Case Action referred to a Medicaid decision denying Medicaid to Claimant beginning [REDACTED]. The Notice of Case Action did not address Claimant's request for the processing of medical expenses from [REDACTED]. Claimant's AHR contended that DHS has not taken any action concerning the processing of medical expenses from [REDACTED], including the mailing of written notice. Claimant's AHR's contention was consistent with the presented evidence. It is found that DHS failed to mail written notice that Claimant failed to timely submit medical expenses toward a Medicaid deductible. Accordingly, Claimant is not barred from pursuing an administrative remedy because of an untimely hearing request.

As noted above, Claimant's AHR requested a hearing to compel DHS to process Claimant's medical expenses from [REDACTED] towards Claimant's deductible. DHS initially contended that Claimant was not eligible for any MA coverage in [REDACTED]. During the hearing, after obtaining an MMIS report from their database, DHS relented and conceded that Claimant was eligible for Medicaid subject to a deductible for [REDACTED].

Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545 (7/2013), p. 11. DHS could not provide any further justification for failing to process Claimant's [REDACTED] expenses towards Claimant's [REDACTED] Medicaid deductible. It is found that DHS improperly failed to apply medical expenses towards Claimant's Medicaid deductible for [REDACTED].

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly failed to process medical expenses from [REDACTED] towards Claimant's Medicaid deductible. It is ordered that DHS perform the following actions:

- (1) process Claimant's [REDACTED] expenses towards Claimant's deductible subject to the findings that Claimant is not procedurally barred from meeting the deductible; and
- (2) initiate a supplement of any benefits improperly not issued.

The actions taken by DHS are **REVERSED**.



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

Date Signed: 2/14/2014

Date Mailed: 2/14/2014

**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

CG/hw

cc:



