

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201430658  
Issue No.: 2001  
Case No.: [REDACTED]  
Hearing Date: April 8, 2014  
County: Jackson County DHS

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**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 April 8, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] of [REDACTED], as authorized hearings representative for the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] and [REDACTED].

**ISSUE**

Whether the Department of Human Services (Department) properly determine Medical Assistance (MA) effective June 1, 2012?

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. The Claimant applied for Medical Assistance (MA) on August 29, 2012.
2. On August 14, 2013, the Department agreed to allow the Claimant to submit verification of medical expenses for June of 2012.
3. On August 14, 2013, and September 9, 2013, the Claimant submitted verification of medical expenses incurred in June of 2012.
4. On February 28, 2014, the Department determined that medical expenses for June of 2012, submitted on August 14, 2013, and September 9, 2013, could not be applied to the Claimant's June 2012, deductible.
5. The Department received the Claimant's request for a hearing on February 20, 2014, protesting the Department's failure to apply expenses to the Claimant's June 2012, 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.

The individual must be given the most advantageous use of their old bills (also known as incurred expenses). The individual may request coverage for the current month, up to six future months (see eligibility based on old bills in this item), and for any of the prior three months before the current month.

1. Use the budgeting rules in BEM 530. Determine income eligibility in calendar month order, starting with the oldest calendar month.
2. Use BEM 546 to determine the post-eligibility patient-pay amount (PPA) for each L/H month that a client is Group 2 eligible.
3. Determine Medicare Savings Program eligibility separately for Group 2 clients entitled to Medicare Part A (see BEM 165).
4. Request information about all medical expenses incurred during and prior to each month with excess income.
5. Notify the group of the outcome of each determination. NOTIFICATION explains which forms to use and when. Department of Human Services Bridges Eligibility Manual (BEM) 545 (July 1, 2013), p 2.

In this case, the Claimant applied for Medical Assistance (MA) on August 29, 2012, and was approved for retroactive benefits effective June 1, 2012, with a deductible of \$ [REDACTED]. On August 14, 2013, the Department agreed to allow the Claimant to submit verification of medical expenses for June of 2012. On February 28, 2014, the Department determined that medical expenses incurred in June of 2012, that were submitted to the Department on August 14, 2013, and September 9, 2013, could not be applied to the Claimant's June 2012, deductible.

Based on the evidence and testimony available during the hearing, this Administrative Law Judge finds that the Claimant submitted verification of medical expenses incurred for June of 2012, within three months of the date the Department requested information about these medical expenses. The Department was not acting in accordance with policy when it failed to apply these expenses towards her deductible for June of 2012.

### **DECISION AND ORDER**

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 did not act in accordance with Department policy when it failed to apply medical expenses submitted by the Claimant towards her deductible for June of 2012.

Accordingly, the Department's 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. Initiate a determination of the Claimant's eligibility for Medical Assistance (MA) effective June 1, 2012.
2. Provide the Claimant with a Notice of Case Action (DHS-1605) describing the Department's revised eligibility determination.
3. Issue the Claimant any retroactive benefits she may be eligible to receive, if any.



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Kevin Scully  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: April 17, 2014

Date Mailed: April 17, 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;

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- 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

KS/hj

cc:

