

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

**IN THE MATTER OF:**



Reg. No.: 2014 30389  
Issue No(s): 2001  
Case No.: [REDACTED]  
Hearing Date: April 14, 2014  
County: Wayne County DHS 18

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**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 14, 2013, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Assistance Payments Supervisor.

**ISSUE**

Did the Department properly refuse to process for payment of a Hospital expense due to the date of service occurring before or on the date of eligibility for Medicaid?

**FINDINGS OF FACT**

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

1. The Claimant was an ongoing recipient of Medical Assistance and was determined to be eligible for Medical Assistance for the month of June 2013 subject to a spend down amount.
2. At the hearing, the Department could not determine what deductible the Claimant had in June 2013. The Department could not determine which deductible was used.
3. The Department determined that the Claimant was eligible and met his deductible on 6/21/13 and denied eligibility for a hospital bill incurred in June 2013 because the eligibility begin date already authorized coverage as of 6/18/13.

4. The bill in question was in the amount of [REDACTED] for a June 2013 hospitalization. The Department claimed the incurred date of the bill as determined by the Department was 6/21/13. Exhibit 5.
5. The Claimant provided the hospitalization bill for [REDACTED] which indicated 6/25/14 and 6/26/13 dates of service. The Department determined that the dates of service were 6/18/13.
6. The Claimant requested a hearing on February 26, 2014 protesting the Department's actions.

### 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.

This issue in this case concerns whether the Department properly applied policy found in BEM 545 which provides rules to determine when a Claimant meets his excess income amount and thereby meets his deductible, and thus is eligible for full Medicaid coverage. BEM 545 provides:

When **one** of the following equals or exceeds the group's excess income for the month tested, income eligibility exists **for the entire month**:

- Old bills (defined in EXHIBIT IB).
- Personal care services in clients home, (defined in Exhibit II), Adult Foster Care (AFC), or Home for the Aged (HA) (defined in EXHIBIT ID).
- Hospitalization (defined in EXHIBIT IC).
- Long-term care (defined in EXHIBIT IC).

When **one** of the above does **not** equal or exceed the group's excess income for the month tested, income eligibility begins either:

- **The exact day of the month** the allowable expenses **exceed** the excess income.
- **The day after the day of the month** the allowable expenses **equal** the excess income.

BEM 545, pp1. (7/1/13).

A thorough reading of BEM 545 clearly establishes that the Department erred when it determined that the Claimant's hospitalization was not covered because the date of the services (incurred date) was not after or the same day as the date it approved the Claimant as eligible for Medicaid and having met his deductible. The Department approved eligibility as of 6/18/13 and denied the processing of the hospitalization because it was incurred the same day as eligibility was approved and was ineligible for payment because it had to be incurred for a date on or after 6/18/13. However, it is determined that policy in BEM 545 requires the Claimant be determined eligible for the entire month (June 2013) irrespective of any other bills submitted or incurred as a hospitalization requires a finding of eligibility for the entire month.

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 follow Department policy and that it acted in accordance with Department policy when it did not find eligibility for Medicaid for the entire month of June 2013 based upon Claimant's hospitalization and failed to process the Claimant's hospitalization bill.

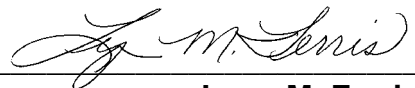
### **DECISION AND ORDER**

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. The Department shall process all medical bills for the month of June 2013 including the Claimant's hospitalization bill(s) for that month.



**Lynn M. Ferris**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: May 2, 2014

Date Mailed: May 6, 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

LMF/tm

cc:

