

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

IN THE MATTER OF:



Reg. No.: 14-000815
Issue No.: 2007
Case No.: [REDACTED]
Hearing Date: May 27, 2014
County: WAYNE-DISTRICT 41

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 May 27, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Hearing Coordinator, and [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly process Claimant's January 13, 2014 application for Medicare Savings Program (MSP) benefits?

FINDINGS OF FACT

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

1. On January 13, 2014, Claimant applied for MSP benefits.
2. On April 7, 2014, Claimant filed a request for hearing contending that the Department failed to properly process her application.

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 Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Additionally, there are three categories of Medicare Savings Program (MSP) coverage: (1) Qualified Medicare Beneficiaries (QMB), which pays for a client's Medicare premiums (both Part A and Part B), Medicare coinsurances and Medicare deductibles; (2) Specified Low-Income Medicare Beneficiaries (SLMB), which pays for a client's Medicare Part B premiums; and (3) ALMB, which pays for a client's Medicare Part B premiums when funding is available from the Department of Community Health (DCH). BEM 165 (April 2014), pp. 1-2.

Claimant requested a hearing on April 7, 2014 alleging that the Department had failed to process her January 2014 application for QMB benefits. At the hearing, the Department acknowledged that Claimant had filed an application for MSP benefits on January 13, 2014 and that it had failed to promptly process the application in accordance with the standard of promptness. See BAM 115 (January 2014), p. 15. However, the Department testified that, once it realized its error, it processed Claimant's application, found her eligible for MSP benefits under the QMB program, and activated her MSP coverage effective February 1, 2014.

QMB coverage for eligible clients begins the calendar month *after* the processing month, which is the month during which an eligibility determination is made. BEM 165, p. 3. In this case, the Department's position was that, although it processed Claimant's application in April 2014, it determined her eligibility for QMB as of February 1, 2014, the month after the January 13, 2014 application date. The Department presented an eligibility summary and Health Care Coverage Determination Notice dated April 10, 2014, both showing that it approved Claimant for MSP coverage effective February 1, 2014 ongoing. However, Claimant's current SOLQ report, which shows Claimant's Social Security information, shows a buy-in start date of May 1, 2014.

The Part B buy-in effective date is the month QMB or SLMB coverage begins if the only basis for buy-in is MSP eligibility. BAM 810 (July 2013), p. 8. When retro buy-in has been approved, the Department must email the beneficiary information to the Buy-in Coordinator at Buyinunit@michigan.gov and indicate retro buy-in in the subject line. BEM 165, p. 9. It takes the Social Security Administration (SSA) about 120 days after the case is opened in the Department's system to adjust the client's Social Security check. BAM 810, p. 7. The client will receive a refund for premiums paid while the buy-in was being processed. BAM 810, p. 7.

Under the facts in this case, where the SOLQ shows a buy-in date of May 1, 2014 and there was no evidence presented by the Department that it notified the Buy-In coordinator of Claimant's retro buy-in for February 2014 ongoing based on the delayed processing of the application, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it processed Claimant's January 13, 2014 MSP application.

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. Activate the State buy-in for Claimant's QMB benefits with a February 1, 2014 start date; and
2. Issue supplements to Claimant for any QMB benefits she was eligible to receive but did not from February 1, 2014 ongoing.



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

Date Signed: **6/3/2014**

Date Mailed: **6/3/2014**



NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

cc:

