

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

**IN THE MATTER OF:**

████████████████████  
██  
██████████  
████████████████████

Reg. No.: 14-002146  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: October 16, 2014  
County: WAYNE-DISTRICT 19  
(INKSTER)

**ADMINISTRATIVE LAW JUDGE: Eric Feldman**

**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 October 16, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, ██████████. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████ ██████████ Partnership. Accountability. Training. Hope. (PATH) Case Manager.

**ISSUE**

Did the Department properly provide Claimant with Medical Assistance (MA) coverage she is eligible to receive?

**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. See Exhibit 1, pp. 6-8.
2. Claimant received Group 2 Caretaker (G2C) – MA coverage with a monthly deductible. See Exhibit 1, p. 6.
3. On February 2, 2014, the Department conducted a mass update in which it closed Claimant's G2C - MA coverage effective March 1, 2014 and replaced it with the Plan First! Family Planning Program (Plan First!) - MA coverage. See Exhibit 1, p. 8.

4. Claimant's Eligibility Summary indicated she received Plan First! – MA coverage from March 1, 2014, ongoing, with no deductible. See Exhibit 1, p. 8.
5. On May 9, 2014, Claimant filed a hearing request, protesting her MA benefits. See Exhibit 1, p. 2.
6. On July 23, 2014, the Michigan Administrative Hearing System (MAHS) sent Claimant a Notice of Hearing notifying her of a hearing on August 4, 2014.
7. On August 5, 2014, MAHS sent Claimant an Order of Dismissal because she did not arrive at the DHS office for the hearing.
8. On August 25, 2014, Claimant filed a request to vacate the order of dismissal.
9. On September 3, 2014, the Supervising Administrative Law Judge sent Claimant an Order Vacating the Dismissal and Order to Schedule Matter for Hearing.
10. On September 4, 2014, MAHS sent Claimant a Notice of Hearing notifying her of the rescheduled hearing on September 15, 2014.
11. On September 16, 2014, MAHS sent Claimant an Order of Dismissal because she did not arrive at the DHS office for the hearing.
12. On September 29, 2014, Claimant filed a request to vacate the order of dismissal.
13. On October 2, 2014, the Administrative Law Judge sent Claimant an Order Vacating the Dismissal and Order to Schedule Matter for Hearing.
14. On October 6, 2014, MAHS sent Claimant a Notice of Hearing notifying her of the rescheduled hearing on October 16, 2014.

### **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.

### **Preliminary matter**

As a preliminary matter, the Department testified that the mass update, which converted Claimant's MA coverage to Plan First! occurred on February 2, 2014. Claimant argued that the Plan First! coverage was inadequate and in essence, disputed the Department's action of closing her G2C - MA coverage. However, a lack of jurisdiction issue arose because Claimant's hearing request was more than 90 calendar days from the date of the written notice of case action. See BAM 600 (March 2014), p. 6. Nevertheless, the Department failed to provide as evidence Claimant's written notice that her G2C – MA coverage closed and was replaced with the Plan First! – MA coverage effective March 1, 2014. As such, it is found that Claimant properly filed a hearing request to dispute her MA benefits because the Department failed to establish that it properly sent notice to the Claimant.

It should be noted that Claimant's hearing request referenced a notice date of April 30, 2014. See Exhibit 1, p. 2. During the hearing, the Department testified that the notice date of April 30, 2014, was in regards to a State Emergency Relief (SER) Decision Notice.

### **Plan First! – MA coverage**

At the hearing, Claimant argued that upon the Department converting her MA coverage to Plan First!, the new coverage provided by the Department was inadequate. Claimant testified that her MA benefits would cover certain medical expenses in which Plan First! would not. Therefore, Claimant was concerned about her ongoing MA coverage and requested a hearing.

Furthermore, Claimant's hearing request indicated that she was informed that she no longer had MA coverage in which she had for about two years unless she would pay a \$256 deductible. See Exhibit 1, p. 2. Claimant's testimony appeared to indicate that she was unaware that she had a deductible with the G2C coverage. A review of Claimant's Eligibility Summary indicated that she had at least a deductible ranging from \$250 to \$265 from August 1, 2013 to February 28, 2014. See Exhibit 1, p. 6. Thus, it was unclear if Claimant had ongoing medical expenses that met her monthly deductible amount. Moreover, the Department testified that the mass update was not a proper change and it eventually converted everyone's MA coverage back to what they originally had. The Department believed that Claimant's MA coverage switched backed to a deductible effective August 2014.

The Plan First! Family Planning Program is a health coverage program operated by the Department of Community Health (DCH). BEM 124 (January 2014), p. 1. Plan First! will enable DCH to provide family planning services to women who would not have coverage for these services and do not have other comprehensive health insurance. BEM 124, p. 1.

Persons may qualify under more than one MA category. BEM 105 (January 2014), p. 2. Federal law gives them the right to the most beneficial category. BEM 105, p. 2. The most beneficial category is the one that results in eligibility or the least amount of excess income. BEM 105, p. 2. For MAGI-related MA categories, the Department must consider a client's eligibility for MA coverage under parent/caretaker programs before Plan First! eligibility. BEM 105, p. 3.

Based on the foregoing information and evidence, the Department did not act in accordance with Department policy when it provided Claimant with MA coverage under the Plan First! program.

First, the evidence established that Claimant is 39-years-old, she is disabled, she receives monthly Retirement, Survivors, and Disability Insurance (RSDI) income, and she has guardianship over two children ages 10 and 16 (moved out of the home in April 2014). See Exhibit 1, pp. 3-5. Before considering Claimant's eligibility for MA under the Plan First! program, the Department had to process her eligibility for MA under the parent/caretaker program. There was no evidence presented in this case that the Department did so. In the absence of such evidence, the Department has failed to satisfy its burden of showing that it acted in accordance with Department policy when it provided Claimant with MA coverage under the Plan First! program.

Second, the Department acknowledged that Claimant was eventually converted back to a deductible program because the mass update was not proper. This infers that Claimant did not have the most beneficial MA coverage at the time her benefits were converted. As such, the Department will redetermine Claimant's most beneficial MA category effective March 1, 2014, ongoing. See BEM 105, p. 2.

Third, as to Claimant's dispute with the monthly deductible, a review of Claimant's Eligibility Summary indicated that she last received a deductible in February 2014 with a certification date of January 2, 2014 (G2C – MA coverage). See Exhibit 1, p. 6. Moreover, Claimant did not have a deductible for her Plan First! – MA coverage. See Exhibit 1, p. 8. Based on this information, this Administrative Law Judge (ALJ) lacks the jurisdiction to address Claimant's G2C – MA deductible. See BAM 600, pp. 4-6. However, if Claimant's MA eligibility results in a deductible for the time period of March 1, 2014, ongoing, Claimant can request another hearing to dispute the deductible amount. See BAM 600, pp. 4-6.


### **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 (i) did not act in accordance with Department policy when it provided Claimant with MA coverage under the Plan First! program effective March 1, 2014; and (ii) the ALJ lacks the jurisdiction to address Claimant's G2C – MA deductible dispute.

Accordingly, the MA 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. Reprocess Claimant's MA eligibility for March 1, 2014, ongoing;
2. Provide Claimant with the MA coverage she is eligible to receive from March 1, 2014, ongoing; and
3. Notify Claimant in writing of its decision.

  
**Eric Feldman**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **10/22/2014**

Date Mailed: **10/22/2014**

EJF / cl

**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:

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]