

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 14-009708
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: October 15, 2014
County: Jackson

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 October 15, 2014, from Lansing, Michigan. Participants on behalf of Claimant included her authorized hearings representative [REDACTED] of [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED] and [REDACTED].

ISSUE

Whether the Department was acting in accordance with policy when it refused to apply medical expenses towards the Claimant's deductible during the months that the expenses were incurred?

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 March 31, 2014, the Claimant applied for Medical Assistance (MA) requesting retroactive benefits.
2. On May 30, 2014, the Department notified the Claimant that her application for Medical Assistance (MA) was approved with a deductible.
3. On June 19, 2014, the Claimant submitted itemized bills for medical expenses incurred in December of 2013 and January of 2014.
4. The Department refused to apply the expenses incurred in December of 2013 and January of 2014 towards the Claimant's deductibles for those months of retroactive benefits.
5. On August 7, 2014, the Department received the Claimant's request for a hearing.

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.

The deductible program is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. Department of Human Services Bridges Eligibility Manual (BEM) 545 (July 1, 2013), p 11; 42 CFR 435.831.

In this case, the Claimant applied for Medical Assistance (MA) on March 31, 2014, and requested retroactive benefits. The Department approved the Claimant's application on May 30, 2014, with a deductible. On June 19, 2014, the Claimant submitted itemized bills for medical expenses incurred in December of 2013 and January of 2014. The Department refused to apply these expenses towards the Claimant's deductible for those months.

The Department had notified the Claimant of the requirement to submit verification of medical expenses in a timely manner while requesting information necessary to determine her eligibility to receive Medical Assistance (MA) by sending the Claimant a Verification Checklist (DHS-3503). The Claimant requested three extensions to the due date for these requests for information.

This Administrative Law Judge finds that these Verification Checklist (DHS-3503) forms and the requests for extensions to the due dates are not relevant to the issue presented here. Department policy does not entitle the Claimant to an extension to the due date to report and verify allowable medical expenses. Furthermore, there would have been no basis for the Department to deny the Claimant's Medical Assistance (MA) application for failure to report and verify medical expenses during the retroactive period.

The Claimant's representative argued that medical expenses incurred were reported to the Department along with the application for assistance by means of a Facility Admission Notice form.

The following information is necessary to verify reported medical expenses:

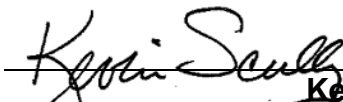
- Date expense incurred.
- Amount of expense.
- Current liability for an old bill.
- Receipt of personal care services provided in an adult foster care home or home for the aged. BEM 545, p 14.

This Administrative Law Judge finds that the Facility Admission Notice submitted to the Department was insufficient to verify the allowable medical expenses so that they could be applied against the Claimants deductible for the month the expenses were incurred.

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 acted in accordance with Department policy when it determined that it could not apply the medical expenses verified in June against the Claimant's deductible for December of 2013 and January of 2014.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.



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

Date Signed: **10/23/2014**

Date Mailed: **10/23/2014**

KS/las

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:

