

**STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
FOR THE DEPARTMENT OF COMMUNITY HEALTH**

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IN THE MATTER OF:

██████████

Appellant

_____ /

Docket No. 14-010021 HHS

Case No. ██████████

DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 42 CFR 431.200 *et seq.*, upon the Appellant's request for a hearing.

After due notice, a hearing was held on ██████████. Appellant personally appeared and testified.

██████████, Appeals Review Officer, represented the Department. ██████████, Adult Services Worker (ASW), appeared as a witness for the Department. The Supervisor who had personal knowledge of this case did not appear.

ISSUE

Did the Department properly calculate and process a retro payment authorization for Appellant's HHS parent/provider for the months from ██████████ through ██████████ ██████████?

FINDINGS OF FACT

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

1. Appellant is a ██████ year old female, who is a beneficiary of Medicaid.
2. Unrefuted evidence is that Appellant's HHS case during the five month period from ██████████ through ██████████ Appellant's parent/provider was owed \$ ██████████ for each month. Unrefuted evidence is that payment was made in the amount of \$ ██████████ for each month. Appellant's parent/provider is owed \$ ██████████. (Exhibits A & B)
3. On ██████████, the ASW's supervisor issued an authorization for a retro payment in the amount of \$ ██████████ on behalf of Appellant's provider. (Exhibit B.1)

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4. The parties stipulated that Appellant's parent/provider is still owed \$ [REDACTED].
(Department calculation, Testimony)

CONCLUSIONS OF LAW

The Medical Assistance Program is established pursuant to Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). It is administered in accordance with state statute, the Social Welfare Act, the Administrative Code, and the State Plan under Title XIX of the Social Security Act Medical Assistance Program.

Home Help Services (HHS) are provided to enable functionally limited individuals to live independently and receive care in the least restrictive, preferred settings. These activities must be certified by a physician and may be provided by individuals or by private or public agencies.

The Adult Services Manual (ASM) addresses eligibility for Home Help Services:

Department policy requires Medicaid eligibility in order to receive HHS, and clients with a monthly spend-down are not eligible until they have met their spend-down obligation. (Adult Services Manual (ASM) 105, November 1, 2011, pages 1-2 of 3).

Requirements

Home help eligibility requirements include **all** of the following:

- Medicaid eligibility.
- Certification of medical need.
- Need for service, based on a complete comprehensive assessment (DHS-324) indicating a functional limitation of level 3 or greater for activities of daily living (ADL).
- Appropriate Level of Care (LOC) status.

Medicaid/Medical Aid (MA)

The client may be eligible for MA under one of the following:

- All requirements for Medicaid have been met.
- MA deductible obligation has been met.

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The client must have a scope of coverage of either:

- 1F or 2F.
- 1D or 1K (Freedom to Work).
- 1T (Healthy Kids Expansion).

Clients with a scope of coverage 20, 2C or 2B are **not** eligible for Medicaid until they have met their MA deductible obligation.

Note: A change in the scope of coverage in Bridges will generate a system tickler in ASCAP for active services cases.

Medicaid Personal Care Option

Clients in need of home help personal care services may become eligible for MA under the Medicaid personal care option.

Discuss this option with the client and coordinate implementation with the eligibility specialist.

*Adult
Services Manual (ASM) 105, 11-1-2011 pages 1-2 of 3*

Applicable policy and procedure regarding payment authorizations is found primarily in ASM 140. Relevant to the case herein, that policy states in part:

Payments on Closed Cases

Authorizations on a closed case for a time period when the case was open can be made with supervisor approval as long as the provider was assigned to the case.

Note: If the provider was not assigned prior to the case closure, contact the Office of Adult Services (OAS) for assistance via the policy mailbox at: Policy-adult-services-dhs@michigan.gov.

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**Office of Adult
Services (OAS)
Payment
Exceptions**

The following payment authorizations will be forwarded via ASCAP to the Office of Adult Services (OAS) for processing:

- Authorization period is more than six months prior to the current date. Payments within six months or future authorizations **must** be approved locally and cannot be approved as an OAS exception.
- Modified retroactive adjustments more than six months. Payments within six months **must** be approved locally.
- Authorizations that occur during the same time period as another adult services program (for example, adult protective services and home help services). The authorization submitted to OAS must **only** be for the time period the programs overlap.
- Cases where an administrative error occurred.

Adequate justification must be entered in the rational box in ASCAP.

Payment authorizations approved by the Office of Adult Services (OAS) will indicate the program service code proceeded by the number **9**.

Adult Services Manual (ASM) 140 5-1-2014 pages 3-4 of 4

Also applicable to the case herein is the ASM policy on warrants, found in ASM 160. Applicable to the case herein, this policy states in part:

**GENERAL
INFORMATION**

Adult services warrants are processed through the Michigan Department of Community Health Adult Services Authorized Payments (ASAP) system and are rewritten by the MDCH Medicaid Collections Unit (MCU).

The local DHS fiscal unit or the Department of Treasury receives returned warrants.

The adult services specialist is responsible for determining the disposition of all adult services warrants received by the local DHS fiscal unit or returned to the Department of Treasury. The DHS-2362, Service Warrant Rewrite/Disposition Request and the DCH-2362A, Adult Services Warrant Rewrite/Disposition Request, are the forms used when determining if a warrant needs to be rewritten or canceled.

DHS-2362/DCH-2362A

The DHS-2362 is used by the local DHS fiscal unit when a warrant is received in the local office. The DCH-2362A is generated electronically by ASAP or the MDCH Medicaid Collections unit when a warrant is canceled, stopped or returned to Treasury as undelivered.

When a warrant includes multiple clients (agencies or adult foster care providers) and multiple adult services specialists are involved with one rewrite request, the request is to be coordinated by the local DHS fiscal unit(s).

**WARRANT
REWRITE
ACTIONS**

The **original** warrant may be rewritten once. All information pertaining to the client and provider must be accurate on ASCAP and Bridges. The specialist must verify the following before processing the DHS-2362 or DCH-2362A.

- Dual-party warrants:
 - Client address information must be updated on the Basic Client screen in ASCAP.
- Single-party warrants:
 - Changes to provider information must be done on Bridges by completing the DHS-2351X, Provider Enrollment/Change Request.
- Agency or business providers.

The provider information on Bridges and Vendor Registration (MAIN) must match. Agencies **must** submit a new W-9 to Vendor Registration whenever there is a change in address; see ASM 136.

Acceptable Actions

The following are acceptable actions for a warrant rewrite:

- A warrant can be replaced for the period covered in the original warrant once the warrant has been canceled or voided by Treasury.
- A warrant can be rewritten for the same amount or a lesser amount than the original warrant.
- A dual-party warrant can be rewritten to a provider only.

Unacceptable Actions

The following actions are **not** acceptable for a warrant rewrite:

- Warrants cannot be rewritten to a provider other than the provider identified in the original warrant.

Note: To issue a warrant to a different provider, the original warrant must be canceled and a new authorization must be entered on the ASCAP payment screen for the new provider.

- Warrants cannot be rewritten for a higher amount than the original warrant.

Note: Increases in warrant amounts are processed as retroactive payment adjustments on ASCAP.

- Cannot be rewritten if pulled by Treasury; see to ASM 161 for Treasury status codes.

Adult services specialists are not to accept returned warrants. Warrants must be returned to either the local DHS fiscal unit or mailed directly to the Department of Treasury (return address for the Department of Treasury is located on warrant).

**PAYMENT
HISTORY**

A history of adult services warrants can be obtained via ASCAP under the DCH Payroll function.

**Adult Services
Authorized
Payment System
(ASAP)**

The Adult Services Authorized Payment system (ASAP) maintains a payment history dating back to April 2006. To obtain payment history prior to April 2006 contact the Office of Adult Services via the policy mailbox at Policy-Adult-Services-DHS@michigan.gov.

**WARRANTS
RECEIVED BY
THE LOCAL
OFFICE**

Adult services warrants may be returned to the local DHS fiscal unit to be rewritten, canceled or released. The local DHS fiscal unit receives returned warrants from the client, provider or a third party.

The local DHS fiscal unit will request the completion of a DHS-2362, Services Warrant Rewrite/Disposition Request.

Actions

The following outlines the action steps that must be taken by various parties in the process of rewriting warrants.

Local DHS Fiscal Unit

- Receives returned warrant from the client, provider or client representative.
- Logs and issues a receipt in accordance with the local office Accounting Manual instructions; see ACM 460.
- Completes the DHS-2362, Items 1-15.
- Retains the warrant and forwards pages 1 and 2 of the DHS-2362 to the adult services specialist.

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Adult Services Manual (ASW) 5-1-2-14, pages 1-4

As noted above, policy requires a supervisor to make a corrective action. This was done in this matter. However, the amount entered by the supervisor herein is being disputed by the Appellant. The supervisor did not appear at the administrative hearing, and thus, could not be examined or cross-examined as to the action taken. The amount the supervisor entered is the same amount as one month's HHS grant, \$██████████ pursuant to Exhibit B.1. The parties at this administrative hearing stipulated that this amount will not restore Appellant's provider to the full amount owing.

It is noted that as of the date of the administrative hearing, Appellant's provider had not received the \$██████████ entered in the system by the supervisor, and it was completed just days before the administrative hearing. (See Exhibit B.1)

The parties herein however, did agree and stipulated as to the actual amount Appellant's parent/guardian should have been paid. That amount is the \$██████████ the supervisor already corrected, plus another \$██████████ (or \$██████████ plus \$██████████), or a total of \$██████████.

The parties stipulated at the administrative hearing that Appellant's provider is owed a total of \$██████████. The Department is ordered to process Appellant's provider's back warrant(s) so as to change or add \$██████████ to her back payment, or to cancel the prior authorization and issue a warrant for the total amount of \$██████████ for the period between ██████████ through ██████████, in accordance with ASM policy and procedure.

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DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department failed to completely reimburse Appellant's provider's payment for the months of [REDACTED] through [REDACTED].

IT IS THEREFORE ORDERED that:

The Department's decision is **PARTIALLY REVERSED**.

The Department is ordered to change or add to Appellant's provider's back payment by adding [REDACTED], or, cancelling the prior payment and re-issuing a warrant for the total amount of \$ [REDACTED], as stipulated to by the parties herein, and in accordance with Department policy and procedure.

It is so Ordered.

/s/

Janice Spodarek
Administrative Law Judge
for Nick Lyon, Director
Michigan Department of Community Health

JS/ [REDACTED]

cc: [REDACTED]

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

***** NOTICE *****

The Michigan Administrative Hearing System may order a rehearing on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. The Michigan Administrative Hearing System will not order a rehearing on the Department's motion where the final decision or rehearing cannot be implemented within 90 days of the filing of the original request. The Appellant 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 was made, within 30 days of the receipt of the rehearing decision.