

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

**IN THE MATTER OF:**



Reg. No.: 14-008288  
Issue No.: 2009  
Case No.: [REDACTED]  
Hearing Date: September 4, 2014  
County: VAN BUREN

**ADMINISTRATIVE LAW JUDGE: Darryl T. Johnson**

**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 three-way telephone hearing was held on September 04, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Human Services (Department) included Family Independence Manager [REDACTED] and Eligibility Specialist [REDACTED].

**ISSUE**

Did the Department properly decline to pay medical expenses submitted by Claimant?

**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's Authorized Representative (AR) applied for retro-active Medicaid for Claimant for the months of November, 2013, December 2013, and January, 2014, on February 20, 2014.
2. On May 6, 2014, the Department determined Claimant was eligible for Medicaid with a spend-down of [REDACTED] for November 2013; [REDACTED] for December 2013; and [REDACTED] for January 2014.
3. On July 25, 2014, the Department received a hearing request from Claimant's AR, contending that Claimant should not have a spend-down for the retroactive months.

## **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.

In April 2014, Claimant's AR submitted bills (Exhibit 2) for medical expenses incurred in November 2013, July 2013 through January 2014, and March 2014. The AR had submitted the application via fax on February 20, 2014. (Exhibit 3.) They also submitted verification of Claimant's spouse's bank statements and pay stubs on March 3, 2014, (Exhibit 3.) and again on April 14, 2014.

The Department concluded that Claimant had to meet a deductible for the retroactive months. Claimant's AR has taken the position that policy does not allow for a deductible for those months.

BEM 545 (7/1/13) is instructive. At page 10 it states: "The first deductible period cannot be earlier than the processing month for applicants." The Bridges Glossary (BPG) defines the processing month as: "The calendar month during which the specialist determines MA eligibility." The specialist in this case processed the application in May 2014. When read in conjunction with BEM 545, a deductible period cannot be earlier than May 2014. BAM 115 (1/1/14) p 11 allows retroactive coverage. "Retro MA coverage is available back to the first day of the third calendar month prior to the current application for FIP and MA applicants and persons applying to be added to the group." The current application for MA was submitted in February 2014, so retro coverage was available for November, December, and January, immediately preceding the application.

The Department correctly found Claimant was eligible for retro coverage for November and December 2013, and January 2014. It incorrectly found Claimant was required to satisfy a deductible for those months.

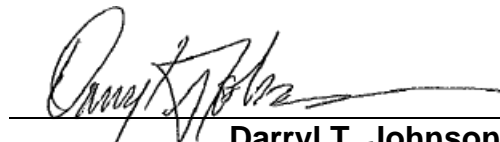
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it required Claimant to satisfy a deductible for the months of November and December 2013, and January 2014.

**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. Provide Claimant with MA coverage, with no deductible, for the months of November and December 2013, and January 2014;
2. Process any outstanding medical expenses for those months which were timely submitted and have not already been used to satisfy a deductible for another month.



**Darryl T. Johnson**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **9/8/2014**

Date Mailed: **9/8/2014**

DTJ / jaf

**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:

