

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

IN THE MATTER OF:

██████████
██████████
██████████

Reg. No.: 14-014988
Issue No.: 2001
Case No.: ██████████
Hearing Date: February 05, 2015
County: Wayne-District 19

ADMINISTRATIVE LAW JUDGE: Zainab Baydoun

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 February 5, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant's Authorized Hearing Representative (AHR), ██████████, from ██████████, ██████████. Participants on behalf of the Department of Human Services (Department) included ██████████, Family Independence Manager.

ISSUE

Did the Department properly process Claimant's Medical Assistance (MA) 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. Claimant was an ongoing recipient of MA benefits under a deductible based program.
2. On April 2, 2014, ██████████ submitted a facility admission notice and hospital bills concerning Claimant's inpatient hospitalization from January 30, 2014, to February 5, 2014 in order to verify that Claimant had incurred sufficient expenses to meet his deductible. (Exhibit A, pp. 4-11)
3. The Department activated Claimant's MA coverage beginning February 5, 2014.
4. On October 14, 2014, ██████████ filed a hearing request on Claimant's behalf disputing the Department's actions.

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, deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. BEM 545 (July 2013), p. 10. To meet a deductible, a MA client must report and verify allowable medical expenses that equal or exceed the deductible amount for the calendar month being tested by the last day of the third month following the month in which client wants MA coverage. BEM 545, p. 11. The Department is to add periods of MA coverage each time the group meets its deductible and each calendar month is a separate deductible period. BEM 545, pp.10-11.

With respect to inpatient hospitalizations, the Department will determine each qualified fiscal group member's allowable hospital expenses for the month. If expenses incurred by one qualified fiscal group member for one admission equal or exceed the excess income, income eligibility exists for the entire month. BEM 545, pp. 1-2,4.

In this case, the Department and Claimant's AHR both agreed that verification of Claimant's inpatient hospitalization from January 30, 2014, to February 5, 2014, was timely submitted to the Department and that the bills were sufficient to show that Claimant had met his deductible for that period. The Department testified that rather than MA coverage being activated for the entire months of January 2014 and February 2014, the Department incorrectly inputted the information and that the Claimant's MA coverage was put on the system with an effective date of February 5, 2014. At the hearing, the Department testified that a help desk ticket (ticket number [REDACTED]) was requested to assist the Department in resolving the issue. Claimant's AHR asserted that because this was an inpatient hospitalization, Claimant should have been eligible for MA coverage for the entire months of January 2014 and February 2014 and a patient pay amount should have been determined. The Department was in agreement with [REDACTED]'s testimony.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it processed Claimant's MA benefits.

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. Process any medical expenses incurred and apply them towards Claimant's MA deductible for January 2014 and February 2014;
2. Activate Claimant's MA coverage for the months of January 2014 and February 2014, in accordance with Department policy; and
3. Notify Claimant and [REDACTED] of its decision in writing.



Zainab Baydoun
Administrative Law Judge
for Nick Lyon, Interim Director
Department of Human Services

Date Signed: **3/6/2015**

Date Mailed: **3/6/2015**

ZB / tlf

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.

CC: