

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

**IN THE MATTER OF:**

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

Reg. No.: 14-019622  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: April 27, 2015  
County: Wayne-District 19 (Inkster)

**ADMINISTRATIVE LAW JUDGE: Alice C. Elkin**

**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; and Mich Admin Code, R 792.11002. After due notice, a 3-way telephone hearing was held on April 27, 2015, from Detroit, Michigan. Participants on behalf of Claimant included ██████████ ██████████, authorized representative with ██████████ ██████████; Claimant's authorized hearing representative (AHR). Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Hearing Facilitator.

**ISSUE**

Did the Department properly fail to activate Claimant's Medical Assistance (MA) coverage, subject to any applicable deductible, for medical expenses incurred in May 2013?

**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.
2. Claimant incurred medical expenses in May 2013.
3. On June 23, 2013, and in September 2013, the AHR faxed copies of the medical expenses to the Department.
4. On September 25, 2014, the AHR filed a request for hearing alleging that the Department had failed to activate Claimant's MA coverage for May 2013.

## **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and 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 Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

The AHR alleges that the Department improperly failed to activate Claimant's MA coverage for May 2013. At the hearing, the Department testified that it had issued an initial help desk ticket to activate MA coverage for May 2013, but coverage was not activated because the AHR had not submitted Claimant's May 2013 medical expenses until September 2013. As such, the medical expenses were not timely submitted.

A client meets a deductible when he or she reports and verifies allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545 (July 2011), p. 9. Expenses must be reported by the last day of the third month following the month in which the group wants MA coverage. BEM 545, p. 9.

In this case, although the Department relied on the fact that the AHR submitted the May 2013 medical expenses in September 2013 in denying activating coverage, the AHR presented a fax confirmation showing that it initially reported and verified the May 2013 expenses to the Department on June 25, 2013 (Exhibit B). Therefore, Claimant's May 2013 medical expenses were timely submitted to the Department, and the Department did not act in accordance with Department policy when it failed to activate Claimant's MA coverage for May 2013.

Because an agency error caused the delay in processing activation of Claimant's MA for May 2013 and payment of his provider for covered medical expenses, an exception to the 12-month billing policy is required. BAM 402 (October 2012), p. 8. At the hearing, the Department's hearing facilitator acknowledged that the Department had erred in processing Claimant's case and testified that a new help desk ticket had been issued and resolved in Claimant's favor on April 24, 2015, and that a MS-1038, Request for Exception to the Twelve Month Billing Limitation for Medical Services, had been sent to the Department's Exception Division to activate Claimant's May 2013 MA coverage.

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 failed to timely activate Claimant's May 2013 MA coverage.

**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. Activate Claimant's MA coverage for May 2013;
2. Pay Claimant's provider for medical expenses incurred in May 2013, subject to any applicable deductible, in accordance with Department policy.



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**Alice C. Elkin**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **5/7/2015**

Date Mailed: **5/7/2015**

ACE / 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 copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from 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 48909-8139

cc:

[REDACTED]