

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

**IN THE MATTER OF:**



Reg. No.: 201412046  
Issue No.: 2007  
Case No.: [REDACTED]  
Hearing Date: January 23, 2014  
County: Wayne (55)

**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. After due notice, a telephone hearing was held on January 23, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED], Claimant's translator. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

**ISSUE**

Did the Department properly process Claimant's approval for Medicare Savings Program (MSP) 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. On April 16, 2013, Claimant applied for MSP and Medical Assistance (MA) benefits.
2. On May 1, 2013, the Department approved Claimant's application for MA effective April 1, 2013 ongoing and MSP effective May 1, 2013 ongoing.
3. The Department did not issue MSP benefits to the Social Security Administration (SSA) in accordance with its May 1, 2013 Notice of Case Action.
4. On October 29, 2013, the Department sent Claimant a Notice of Case Action notifying her that her MSP case was closing effective December 1, 2013.

5. On November 6, 2013, Claimant filed a request for hearing disputing the Department 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 the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

Additionally, at the hearing, the Department established that Claimant was approved for MA coverage (also known as Medicaid) effective April 1, 2013, and that as of the hearing date her coverage was ongoing and uninterrupted. The only issue presented was the Department's closure of Claimant's MSP case.

Medicare is a federal health insurance program administered by SSA. BAM 810 (July 2013), p. 1. A person receiving Medicare may have to pay a monthly premium for her Medicare. BAM 810, p. 1. Benefits under the MSP are administered by the State and provide for the State's payment of a client's Medicare premiums, coinsurances, and deductibles, depending on the client's income eligibility. BEM 165 (October 2013), pp 1-2; BAM 810, p. 1.

In this case, the Department approved Claimant for MSP effective May 1, 2013. On October 29, 2013, it notified her that she was no longer eligible for MSP benefits, and her MSP case would close effective December 1, 2013. The Department testified that, when it further investigated the matter, it became aware that, although it had approved Claimant for MSP benefits as of May 1, 2013, it had failed to follow the appropriate procedure to activate her coverage by notifying the Department of Community Health (DCH) of the MSP approval. See BAM 810 (July 2013), pp. 7-8. Because Claimant's Part A and Part B Medicare premiums were not paid, SSA terminated Claimant's Medicare coverage for nonpayment of these premiums.

Although Claimant presented a letter from SSA that showed that the State had paid Claimant's Medicare premiums through August 2013, this letter is inconsistent with the report the Department retrieved from the Single Online Query (SOLQ), the Department's data exchange with SSA, which showed that the State's buy-in date for paying the premiums ended on May 1, 2013 (Exhibits 2 and 5). The Department's attention is directed to BAM 810, p. 9, which provides that there are problems concerning an MSP buy-in case, the Department should contact Lewis Cass Building,

320 South Walnut Buy-In Unit, 3rd Floor Lansing, MI 48913, Telephone: (517) 335-5488. .

Because the Department acknowledged that it erred in processing Claimant's MSP case and failing to activate coverage by following the buy-in procedure, 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 properly process Claimant's approval for MSP benefits.

Claimant was advised at the hearing that the undersigned has no authority concerning her eligibility for Medicare. Claimant is advised to contact SSA for further assistance in activating Medicare coverage.

### **DECISION AND ORDER**

Accordingly, the Department's MSP 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. Reinstate Claimant's MSP case effective December 1, 2013;
2. Issue supplements to SSA for MSP benefits Claimant was eligible to receive but did not from May 1, 2013, ongoing.



**Alice C. Elkin**

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

Date Signed: February 4, 2014

Date Mailed: February 4, 2014

**NOTICE OF APPEAL:** The claimant 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

Michigan Administrative Hearing System (MAHS) may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order.

MAHS will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request (60 days for FAP cases).

A Request for Rehearing or Reconsideration may be granted 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 Department, AHR or the claimant 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 the hearing decision is mailed.

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

ACE/tlf

cc:

