

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

P.O. Box 30763, Lansing, MI 48909
(877) 833-0870; Fax: (517) 373-4147

IN THE MATTER OF:

██████████

Appellant

Docket No. 15-000151 MHF
Case No. ██████████

DECISION AND ORDER

This case is before the undersigned Administrative Law Judge pursuant to the provisions of MCL 330.1834 and Chapter 4 of the Administrative Procedures Act of 1969, as amended, MCL 24.271 *et seq.*

After due notice, a hearing was held on ██████████. Appellant appeared on his own behalf. ██████████, Reimbursement Supervisor, represented the Department. ██████████, Reimbursement Technician, appeared as a witness.

ISSUE

Did the Department properly determine Appellant's ability to pay for inpatient services?

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 was admitted to the ██████████ in ██████████. (Testimony)
2. An Individual and Spouse Determination of Ability to Pay for All Services was completed by the Department ██████████ reimbursement staff on ██████████. A corrected Ability to Pay determination was completed on ██████████. (Exhibits A, B; Testimony)
3. The corrected determination found Appellant's annual ability to pay as \$ ██████████ and a monthly ability to pay of \$ ██████████. (Exhibit B; Testimony)
4. The Department's reimbursement officer considered Appellant's "protected" income of \$ ██████████, his assets of \$ ██████████, his protected assets of \$ ██████████, and his liabilities of \$ ██████████ when determining his annual ability to pay. (Exhibit B, Testimony)
5. On ██████████, the Department sent Appellant written notification

indicating that his monthly ability to pay was \$██████████. On ██████████, the Department sent Appellant a corrected ability to pay statement indicating that his monthly ability to pay was \$██████████. (Exhibits A, B; Testimony)

6. Appellant's request for an administrative hearing was received by the Michigan Administrative Hearing System on ██████████. (Exhibit 1)

CONCLUSIONS OF LAW

Section 802 of the Michigan Mental Health Code, being MCL 330.1802; establishes financial liability for mental health services provided by the Michigan Department of Community Health. Section 804 states:

(1) A responsible party is financially liable for the cost of services provided to the individual directly or by contract with the department or a community mental health services program.

The Department established that the Appellant is a "responsible party" and that he received inpatient psychiatric services provided by the Department for which he is financially liable.

The Department is mandated by state law to determine the Appellant's ability to pay:

(1) The department or a community mental health services program shall determine an adult responsible party's ability to pay for residential services and inpatient services other than psychiatric inpatient services of less than 61 days by taking into consideration the adult responsible party's total financial circumstances, including, but not limited to, income, expenses, number and condition of dependents, assets, and liabilities.

MCL 330.1819

Section 822 of the Michigan Mental Health Code, being MCL 330.1822 requires all responsible parties to make:

... available to the Department or Community Mental Health Services Program any relevant financial information that the department or community mental health services program is not prohibited by law from seeking and obtaining, and that the Department or Community Mental Health Services Program deems essential for the purpose of determining ability to pay. Willful failure to provide the relevant financial

information may result in a determination of ability to pay up to the full cost of services received by the individual.

Regarding undue financial burden:

A responsible party's ability to pay shall not create an undue financial burden that does either of the following:

(a) Deprives the party and his or her dependents of the necessities described in these rules.

(b) Deprives the party and his or her dependents of the financial means to maintain or re-establish the individual in a reasonable and appropriate community-based setting.

Mich Admin Code, R 330.8279

Expenses mean the reasonable un-reimbursed expenditures of money, actual and estimated, during a financial year to maintain a standard of living essential for one's self and his or her dependents. All of the following are considered necessities:

- (i) Food, clothing, and personal necessities.
- (ii) Shelter, including utilities and repairs for the upkeep of a homestead.
- (iii) Employment or business expenses.
- (iv) Medical services.
- (v) Taxes.
- (vi) Elementary, secondary, and postsecondary education.
- (vii) Repayment of personal financial obligations contractually established before an application was made for services, including such outstanding debt as lease payments, credit card obligations, and other educational or training expenses.
- (viii) Payments made under a divorce decree or court order.
- (ix) Transportation to maintain employment and necessary family activities.

Mich Admin Code, R 330.8005(c)

The Department witness testified that she performed an ability to pay determination for Appellant. The Department's reimbursement officer considered Appellant's "protected"

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income of \$ [REDACTED], his assets of \$ [REDACTED], his protected assets of \$ [REDACTED], and his liabilities of \$ [REDACTED] when determining his annual ability to pay.

Appellant testified that he would like the amount owed taken out of his social security check when he is discharged from the facility, as opposed to having an amount taken directly from his pay each pay period. Appellant also questioned why his monthly ability to pay increased so much since the last determination. Appellant indicated that a lot of patients at the facility were working and that the Department seemed to be focusing on him for some reason. Appellant indicated that the current proposed amount to be taken from his pay would amount to one-third of his monthly income.

The Department's witness testified that they cannot take the money owed from Appellant's social security check, nor can they take it from Appellant's pay unless he gives the Department permission, which he has not to this point. The Department's witness explained that the hospital cannot force Appellant to sign an agreement to transfer money from his account each month but that if Appellant continued to refuse to pay his share of his stay in the hospital, the matter would eventually be handed over to the Treasury Department for collection.

Based on the evidence presented, the Department provided sufficient evidence to establish that it properly determined Appellant's ability to pay for inpatient services. Appellant did not challenge the accuracy of his income, his assets, or his liabilities. It was also explained to Appellant that the Department could not simply take the money out of his social security check when he is discharged from the facility. As such, Appellant did not provide a preponderance of evidence that the Department failed to properly determine his ability to pay.

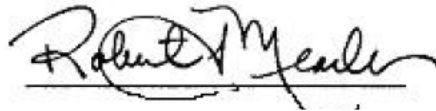
[REDACTED]
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DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department properly determined Appellant's ability to pay for inpatient services.

IT IS THEREFORE ORDERED that:

The Department's decision is **AFFIRMED**.



Robert J. Meade
Administrative Law Judge
for Nick Lyon, Director
Michigan Department of Community Health

RJM [REDACTED]

cc: [REDACTED]

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

***** NOTICE *****

The Appellant may appeal the above Decision and Order to the probate court for the county in which he/she lives. The Appellant's appeal to the probate court must be within 60 days from the date of the Decision and Order.