

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

IN THE MATTER OF:

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████████████████████

Reg. No.: 14-019630
Issue No.: 2001; 2004
Case No.: ██████████
Hearing Date: April 27, 2015
County: WAYNE-DISTRICT 15
(GREYDALE)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 three way hearing was held on April 27, 2015, from Detroit, Michigan. Participants on behalf of Claimant included ██████████ ██████████ the Claimant's Authorized Hearing Representative (AHR). The Claimant did not appear. Participants on behalf of the Department of Health and Human Services (Department) included ██████████ Eligibility Specialist.

ISSUE

Did the Department properly process medical bills to determine whether the Claimant's spend down deductible had been met for March 2014 for Claimant's daughter's bills?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Claimant was an ongoing recipient of Medical Assistance and was seeking processing of medical bills subject to a spend down for her child's medical bills. The Claimant's child's name was ██████████.
2. The Claimant had an active spend down case with a spend down of \$934 in March 2014. Exhibit A.
3. The Department did not process any medical bills for March 2014 because it alleged it did not receive any medical bills on behalf of the Claimant's child.

4. The Claimant's AHR submitted medical bills on May 22, 2014 via facsimile requesting that the Department process the bills for the month of March 2014. The AHR also faxed a Facility Admission Notice to the Department with the medical bill submission. The Department confirmed it was sent to the correct fax number. Claimant Exhibit 1.
5. The Claimant's AHR requested a timely hearing on October 17, 2014 due to the Department's failure to process the medical bills timely submitted to the Department.

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.

In this case, the Department had an open case for the Claimant with a deductible of \$934 for March 2014. Exhibit A. The Claimant's AHR submitted hospital bills for the Claimant's daughter to the Department on May 22, 2014 together with a facility admission notice for March of 2014. Claimant Exhibit 1. The medical bill packet was sent to the correct fax number for the Department on May 22, 2014. A fax confirmation was provided at the hearing indicating that the bills were sent and confirmed receipt. Claimant Exhibit 1.

The Department is to determine Group 2 MA income eligibility for each non-L/H past and processing month with excess income. BEM 545, (July 1, 2013) p. 3. The processing month is the calendar month during which the specialist determines MA eligibility and the past months are the calendar months for which MA eligibility is being determined that is before the processing month. BPG (July 2014), pp. 46, 51. If after applying the above policy the client has excess income, he/she may still be eligible for Group 2 MA if sufficient allowable medical expenses are incurred through a deductible process. BEM 545, p. 10.

In this case the Claimant had an active deductible case at the time the medical bills were submitted. Exhibit A. Each calendar month is a separate deductible period, with

MA coverage added each time the group meets its deductible. BEM 545, p. 10. The fiscal group's monthly excess income is called a deductible amount. To meet a deductible, an MA client must report and verify allowable medical expenses (defined in Exhibit 1) that equal or exceed the deductible amount for the calendar month being tested. The group must report expenses 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. BEM 545, p.11. In this case the evidence presented demonstrated that the Department was sent bills to process within the 90-day-period and was required to process the bills properly faxed to it and determine whether the spend down was met for March 2014. As the bills were never processed and were timely submitted on May 22, 2014 the Department was required to process the medical bills to determine whether the spend down was met.

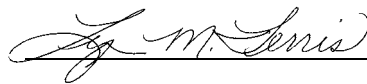
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it did not process the medical bills timely sent to it by the Claimant's daughter's AHR.

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. The Department shall process the medical bills submitted on behalf of [REDACTED] for March 2014 and shall determine if the March 2014 spend down was met and process any eligible bills for payment.
2. The Department shall notify the Claimant and the AHR of its determination regarding whether the spend down was met for March 2014 and confirm processing of any medical bills approved for payment.



Lynn M. Ferris
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **5/20/2015**

Date Mailed: **5/20/2015**

