

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

IN THE MATTER OF:

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

Reg. No.: 15-004907
Issue No.: 2001
Case No.: ██████████
Hearing Date: May 11, 2015
County: Wayne-District 15

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 telephone hearing was held on May 11, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Assistance Payment Worker.

ISSUE

Did the Department properly process Claimant's medical expenses and activate her Medical Assistance (MA) case?

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 is an ongoing recipient of MA benefits under the Group 2 Caretaker (G2C) program.
2. Claimant's MA case was subject to a monthly \$645 deductible in November 2014 and in December 2014.
3. Claimant submitted medical bills to the Department for expenses incurred in November 2014 and December 2014.
4. On March 16, 2015, Claimant filed a request for hearing disputing the Department's processing of her medical expenses.

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.

Claimant requested a hearing in order to have her medical expenses applied to her deductible and to activate MA coverage for remaining expenses. Department policy provides that income eligibility exists for all or part of the month tested when the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545 (January 2015), p. 2. 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. BEM 545, p. 10.

In this case, Claimant alleged that the Department had failed to process the medical expenses she submitted and she presented copies of the bills she contended had not been processed (Exhibit 1). The "medical expenses-summary" printout the Department provided (Exhibit F) shows that the Department received all of the medical bills Claimant submitted as Exhibit 1, except a bill from [REDACTED] for \$82. It is unclear when the \$82 expense was incurred. The remaining bills are for medical services incurred in October 2014, November 2014, and December 2014.

To determine whether a client is income eligible for MA for months with excess income, the Department must consider the expenses in the following order: (1) old bills (which excludes bills previously used to establish MA income eligibility or bills incurred on a date the person had MA coverage), (2) personal care services, (3) long-term care expenses, (4) inpatient hospitalizations, and (5) all remaining medical expenses. BEM 545, pp. 3-4, 11, 19. The Department activates coverage for the client when the expenses, considered in the order listed, equal or exceed the deductible amount. BEM 545, pp. 3-4.

Claimant's medical expenses in October 2014 do not exceed her \$645 deductible for that month. Therefore, Claimant was not income eligible for MA in October 2014, and the Department acted in accordance with Department policy to the extent it did not activate MA coverage that month.

Income eligibility exists for the entire month when **one** of the following equals or exceeds the group's excess income for the month tested: old bills, personal care services, hospitalization, or long-term care. BEM 545, pp. 1, 4. If expenses for one of those categories does not equal or exceed the group's excess income for the month tested, income eligibility begins either the exact day of the month the allowable expenses exceed the excess income or the day after the day of the month the allowable expenses equal the excess income. BEM 545, p. 1. The client must report expenses by the last day of the third month following the month in which she wants MA coverage. BEM 545, p. 11.

In November 2014, Claimant incurred medical expenses on November 11, 2014 (for \$146), November 14 (for \$160 and \$305), and on November 19, 2014 (for \$490 and \$3552) (Exhibit 1). The Department's evidence shows that Claimant submitted a \$3552 medical expense on December 9, 2014, but that the remaining expenses were not submitted until either January 23, 2015, or February 23, 2015. Because the first expenses Claimant reported for November 2014 that met her deductible were reported on December 9, 2014, income eligibility begins November 19, 2014, which is the exact day of the month the allowable expenses exceed the excess income. BEM 545, p. 1. Therefore, Claimant is eligible for MA for November 19, 2014, to November 30, 2014, as reflected in the January 14, 2015, Health Care Coverage Determination Notice. Therefore, the Department acted in accordance with Department policy when it processed the November 2014 bills.

Claimant's remaining medical expenses, which were for services incurred on November 11, 2014, and November 14, 2014, cannot be backdated to an earlier date in November 2014. Therefore, Claimant is also responsible for those bills. However, they can be applied towards Claimant's deductible in December 2014 as old bills totaling \$611. See BEM 545, p. 29.

The evidence at the hearing established that Claimant was hospitalized in December 2014 and her bill for that hospitalization exceeded her \$645 deductible (Exhibit F). Because Claimant's bills from the hospitalization exceed her excess income, she is income eligible for MA for the entire month. BEM 545, pp. 1, 4. Furthermore, because \$611 from the November 2014 bills serve as old bills applied towards her December 2014 \$645 deductible, Claimant is responsible for only \$34 towards the December 2014 deductible and has MA coverage for her remaining December 2014 expenses. However, the MA-EDG Summary printout for December 2014, in Exhibit F, shows that the Department did not activate Claimant's MA coverage for that month. Therefore, the Department failed to act in accordance with Department policy in processing Claimant's December 2014 bills and activating 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 acted in accordance with Department policy when it processed Claimant's October 2014 and

November 2014 medical bills but did not act in accordance with Department policy when it processed Claimant's December 2014 medical bills and failed to activate coverage.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to her October 2014 and November 2014 MA coverage and **REVERSED IN PART** with respect to her December 2014 MA coverage.

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 MA coverage for December 2014
2. Process Claimant's December 2014 medical bills.



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

Date Signed: **5/29/2015**

Date Mailed: **5/29/2015**

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]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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