

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

P.O. Box 30763, Lansing, MI 48909
(517) 335-2484; Fax: (517) 373-4147

IN THE MATTER OF:

██████████

Docket No. 15-006789 MSB

██████████

██████████

Appellant.

_____ /

DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37, and upon a request for a hearing filed on Appellant's behalf.

After due notice, a telephone hearing was held on ██████████ from the ██████████, Appellant's court-appointed legal guardian, appeared and testified on Appellant's behalf. ██████████, Appeals Review Officer, represented the Michigan Department of Health and Human Services (DHHS or Department). ██████████, Departmental Analyst, also testified as a witness for the Department.

ISSUE

Did the Department properly deny Appellant's request for a Pre-Eligibility Medical Expense (PEME) offset?

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 is a ██████ year-old female with a court-appointed legal guardian. (Exhibit 1, page 2).
2. On ██████████, Appellant was enrolled in Medicaid. (Exhibit A, page 7).
3. In ██████ she had her first Medicaid redetermination following her initial eligibility. (Testimony of ██████).

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4. Effective [REDACTED], Appellant's Medicaid case was closed. (Testimony of Appellant's representative; Testimony of [REDACTED]).
5. Appellant's guardian subsequently reapplied for Medicaid coverage starting in [REDACTED]. (Testimony of Appellant's representative).
6. It also applied for a PEME offset for expenses related to her stay in a Long Term Care (LTC) facility in [REDACTED] (Testimony of Appellant's representative).
7. On [REDACTED] the Department sent Appellant's guardian written notice that the request for a PEME offset was denied because it was not reported prior to the first Medicaid redetermination following the initial eligibility. (Testimony of [REDACTED]).
8. On [REDACTED] the Michigan Administrative Hearing System (MAHS) received the request for hearing filed by Appellant's guardian in this matter. (Exhibit 1, pages 1-2).

CONCLUSIONS OF LAW

The Medical Assistance Program is established pursuant to Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). It is administered in accordance with state statute, the Social Welfare Act, the Administrative Code, and the State Plan under Title XIX of the Social Security Act Medical Assistance Program.

Here, Appellant applied for a PEME offset and, with respect to that patient pay offset, Bridges Eligibility Manual 164, pages 2-3, provides:

Patient Pay Offsets

If an LTC applicant requests an offset of their patient pay to cover old medical bills, see Pre-Eligibility Medical Expense (PEME) in glossary and in this item. Assist the applicant by forwarding their unpaid bills to:

Medical Services Administration
Michigan Department of Community Health
P.O. Box 30479
Lansing, MI 48909-9634
Attn: PEME

DCH will determine whether an offset is allowable.

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Offsets will be applied to the months following an approval. In general, the allowable expenses are the same as allowed for a group 2 deductible case. In addition, the medical expense(s) must be:

- Expenses incurred in the three months prior to application for Medicaid.
- Unpaid, and an obligation still exists to pay.
- Cannot be from a month where Medicaid eligibility existed.
- Cannot be covered by a third party source (public or private).
- Cannot be from a month in which a divestment penalty has been imposed.
- Cannot have been used previously as a pre-eligibility medical expense to offset a patient pay amount.
- Can include cost of room and board for Medicaid LTC facilities, remedial care, and other medical expenses recognized by Michigan law but not covered under the Michigan state plan.
- Must be reported prior to the first Medicaid redetermination following the initial eligibility.
- DCH will terminate offsets if there is a failure to pay the medical provider with the funds.

Pursuant to the above policy, the Department denied Appellant's request for a PEME offset in this case on the basis that the expense was not reported prior to the first Medicaid redetermination following Appellant's initial eligibility.

Appellant bears the burden of proving by a preponderance of the evidence that the Department erred.

Here, Appellant's representative did not attempt to demonstrate that the Department erred and instead stated that she now understands the reason for the denial and that she should instead apply for retroactive Medicaid coverage for Appellant. The Department's witness also advised Appellant's representative to apply for retroactive Medicaid coverage.

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Regardless of what happens with any such application, the Department's action in this case must be affirmed as it is undisputed that Appellant was initially eligible for Medicaid in [REDACTED] the first Medicaid redetermination following that initial eligibility occurred in [REDACTED], and Appellant failed to report the expense prior to that first redetermination as required by the applicable policy.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds that, the Department properly denied Appellant's request for PEME offset.

IT IS THEREFORE ORDERED THAT:

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

Steven Kibit

Steven Kibit
Administrative Law Judge
for Nick Lyon, Director
Michigan Department of Health and Human Services

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

SK/db

cc: [REDACTED]

***** NOTICE *****

The Michigan Administrative Hearing System may order a rehearing on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. The Michigan Administrative Hearing System will not order a rehearing on the Department's motion where the final decision or rehearing cannot be implemented within 90 days of the filing of the original request. The Appellant 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 was made, within 30 days of the receipt of the rehearing decision.