

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 15-014773  
Issue No.: 2001  
Case No.: [REDACTED]  
Hearing Date: September 30, 2015  
County: Genesee-Union St

**ADMINISTRATIVE LAW JUDGE:** Colleen Lack

**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 [REDACTED], from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED], Hearing Coordinator and Eligibility Specialist.

**ISSUE**

Did the Department properly determine Claimant's eligibility for Medical Assistance (MA)?

**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 had a monthly deductible of \$ [REDACTED] for Medicaid (MA-G2S) for [REDACTED] [REDACTED] (Department Exhibit A, p. 2)
2. On [REDACTED] the Department received copies of medical expenses for dates of service going back to [REDACTED] (Department Exhibit A, pp. 5-10)
3. The Department applied the [REDACTED] medical expenses toward the monthly MA deductible for [REDACTED]. (Department Exhibit A, p. 12)
4. On [REDACTED], a Health Care Coverage Determination Notice was issued to Claimant, in part, showing the MA approval for [REDACTED] (Department Exhibit A, pp. 13-18)

5. [REDACTED], the Department received Claimant's hearing request contesting the MA determination. (Department Exhibit A, p. 4)

### **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.

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 1, 2015), pp. 2-3.

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. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. BEM 545, p. 10-11. (underline added by ALJ)

However, old bills can also be utilized toward meeting a deductible. BEM 545, pp. 1, 9-10-13, and 26.

Verifications are considered to be timely if received by the date they are due. For electronically transmitted verifications (fax, email or MI Bridges document upload), the date of the transmission is the receipt date. Verifications that are submitted after the close of regular business hours through the drop box or by delivery of a DHS representative are considered to be received the next business day. BAM 130, (October 1, 2014), p. 7.

The above cited BEM 545 policy specifies that expenses must be reported by the last day of the third month following the month in which the group wants MA coverage. Therefore, the Department asserts that for October 2014 coverage, medical expenses

would have to have be reported by the end of January 2015. In this case, the Department did not receive the documentation of Claimant's medical expenses for dates of service going back to October 2014 until February 3, 2015. (Department Exhibit A, pp. 5-10). Accordingly, the Department applied the October 2014 medical expenses to the monthly MA deductible for November 2014. (Department Exhibit A, p. 12)

Claimant asserted that the documentation was timely submitted to be applied to the October 2014 MA deductible because she mailed it to the Department on January 30, 2015. Claimant referenced the language on the Department's Health Care Coverage Determination Notice (Notice), which states "For each month that you must incur expenses to become eligible for Medicaid, you have until the last day of the third month following the deductible month to submit your incurred medical expenses." (Claimant Exhibit 1, p. 8) Claimant asserts that the date the documentation was mailed to the Department should be considered the date it was submitted, rather than the date the Department received the documentation.

The applicable BEM 545 policy requires that expenses be reported by last day of the third month following the month in which the group wants MA coverage. This is consistent with utilizing the date that information is received by the Department. When information is sent by mail, the Department does not become aware of that information until it is received. Accordingly, the information cannot be considered reported until the date the Department receives it. Similarly, the BAM 130 verification policy determines whether verification(s) were timely submitted based on the date the Department receives them. Overall, Department policy is consistent with utilizing the date a document is received as the date it was reported/submitted. Therefore, the documentation of October 2014 medical expenses received on February 3, 2015, was not timely submitted to be considered for the October 2014 MA deductible because it was not reported/submitted by the end of January 2015. Further, the Department then properly applied the October 2014 medical expenses toward the MA deductible for November 2014 as old bills.

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 determined Claimant's eligibility for MA.

**DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.



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Colleen Lack  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

[REDACTED]

**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:

