

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

**IN THE MATTER OF:**

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

Reg. No.: 15-004672  
Issue No.: 2004  
Case No.: ██████████  
Hearing Date: May 06, 2015  
County: WAYNE-DISTRICT 49  
(GRAND RIVER/WAR)

**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 telephone hearing was held on May 6, 2015, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant, ██████████ ██████████, who is in Claimant's MA group, also appeared. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Hearing Liaison.

**ISSUE**

Did the Department properly process the Claimant's medical 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 listed as ██████████ did not request a hearing; instead his live-in partner requested a hearing on her own behalf. The Decision issued herein is issued as regards ██████████ only and not ██████████ and ██████████ have the same medical case number.
2. The Claimant was an ongoing recipient of Medical Assistance and submitted medical bills for processing by the Department to determine if the deductible was met. The medical bills were submitted on numerous occasions to the Department since "mid-2014" and were never processed by the Department. Exhibit A.
3. The Department conceded that none of the medical bills submitted were processed. The bills were date stamped and the earliest bill being dated March 2014. Although the Department had medical bills, from the case file they were not

included in the hearing packet and were not otherwise identified. Ultimately, the Department provided 45 pages of bills it conceded were never processed and should have been processed. Exhibit A.

4. The Claimant requested a hearing on March 16, 2015 protesting the Department's failure to process the medical bills.

### **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 Claimant requested a hearing regarding the Department's failure to process medical bills. The Department conceded the bills were never processed by prior workers and the caseworker who just received the file advised she received the case file for Claimant [REDACTED] with unprocessed medical bills which were identified as Exhibit A and included 45 pages of bills. At the hearing, the Claimant testified that the bills had been submitted several times and never processed, and she never received any notice or communication about the status of the bills submitted. The bills were not submitted at the hearing as part of the hearing packet but were admitted as Exhibit A. Exhibit A was faxed to the undersigned after the hearing. The individual bills were not reviewed or analyzed as the Department had not reviewed the bills for any information prior to the hearing.

The processing of medical bills is necessary to determine Group 2 MA income eligibility to determine if there is excess income, or whether the spend down is met and whether the medical expense is allowable. BEM 545 (January 1, 2015), p. 1. Given the Department did not present any proofs regarding the bills other than the bills themselves, the Claimant's credible testimony that the bills were submitted beginning in March 2014 was not disputed and, thus, unless a bill is date stamped received after March 2014 or services were after March 2014, the bill must be considered as of the date received beginning March 2014. The Department must process each bill within the requirements for medical bill processing, and determine when the bill was submitted, when the services were incurred, the amount of medical expense, whether at the time

submitted the bill is an old bill and whether the services are eligible medical expenses. BEM 545 p. 14-15.

The Department did not indicate during the time period the bills were submitted what type of medical assistance coverage the Claimant was eligible for, i.e. whether the Claimant was subject to a deductible during the entire period or just part of the period.

No eligibility summary was provided with the hearing packet and the Department did not present evidence as to the MA coverage that the Claimant was eligible for during any particular time. Thus, when reviewing the bills the Department must also consider the type of medical assistance the Claimant had at the time. The Department's contention under these circumstances where the bills were never processed that it can only go back 6 months has no basis in policy and none was referenced by the Department. A failure to process is just that, and the obligation to process medical bills begins when the bills are received by the Department.

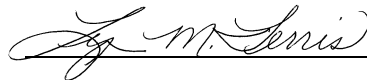
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it failed to process the medical bills it received from the Claimant for processing to determine whether her MA spend down was met.

#### **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 received by the Department contained in Exhibit A and determine Claimant's medical eligibility for the each month from March 2014 ongoing in accordance with Department policy.
2. The Department shall provide the Claimant written notices required by BEM 545 when processing medical bills to determine if the spend down is met.



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

Date Signed: **7/8/2015**  
Date Mailed: **7/8/2015**

