

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 15-006861  
Issue No.: 2004  
Case No.: [REDACTED]  
Hearing Date: June 8, 2015  
County: Wayne (19)

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**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. After due notice, an in-person hearing was held on June 8, 2015, from Inkster, Michigan. [REDACTED] of [REDACTED] [REDACTED] [REDACTED] testified and appeared as Claimant's authorized hearing representative (AHR). Participants on behalf of the Michigan Department of Health and Human Services (MDHHS) included [REDACTED], hearing facilitator.

**ISSUE**

The issue is whether MDHHS properly required Claimant to submit check stubs before processing Claimant's medical expenses toward a Medicaid deductible.

**FINDINGS OF FACT**

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

1. On an unspecified date in May 2013, Claimant incurred medical expenses.
2. As of May 2013, Claimant's spouse received employment income.
3. On an unspecified date, MDHHS factored Claimant's employment income and determined that Claimant was eligible for MA benefits in May 2013, subject to a \$1582 deductible.
4. On [REDACTED], a Hearing Decision ordered MDHHS to process Claimant's medical expenses from May 2013 towards Claimant's deductible.

5. On [REDACTED], Claimant's AHR requested a hearing to dispute the failure of MDHHS to process Claimant's previously submitted expenses.

### **CONCLUSIONS OF LAW**

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. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services Reference Tables Manual (RFT).

Claimant's AHR requested a hearing to dispute the failure by MDHHS to process Claimant's medical expenses from May 2013 towards a \$1582 deductible. MDHHS contended that Claimant first needed to submit proof of Claimant's spouse's income before processing could occur. No less than 3 reasons exist for rejecting the MDHHS contention.

Claimant's AHR credibly testified that Claimant's spouse's employment income was submitted to MDHHS. To support her testimony, she presented Claimant's spouse's check stubs from May 2013 (Exhibits A1-A10). It is found that Claimant's AHR complied with the MDHHS request for income verification for Claimant's spouse. Though Claimant's AHR complied with the MDHHS request, two reasons prevent MDHHS from even making the request.

Claimant presented a Hearing Decision dated [REDACTED]. The Hearing Decision ordered MDHHS to process Claimant's MA expenses from May 2013.

When a decision requires a case action different from the one originally proposed, a DHS-1843, Administrative Hearing Order Certification, is sent with the hearing decision. BAM 600 (April 2015), p. 42. MDHHS is to complete the necessary case actions within 10 calendar days of the mailing date noted on the hearing decision. *Id.*

More than 5 months have elapsed from the Hearing Decision and MDHHS has still not complied with the decision's order. The administrative hearing order did not give MDHHS any allowance to request further verifications from Claimant. It is found that MDHHS failed to comply with the previously issued administrative decision order.

MDHHS also has no known basis to justify requesting employment income from Claimant's spouse. For all program except Children Under 19, MDHHS is to verify all non-excluded income (BEM 500 (April 2015), p. 12):

- At application, including a program add, prior to authorizing benefits.

- At member add, only the income of the member being added.
- At redetermination.
- When program policy requires a change be budgeted.

There is no known policy allowing MDHHS to request income information when a medical bill is processed. Some appreciation might be given to an income request if MDDHS previously determined Claimant's eligibility without factoring unreported income; that is not the case here. MDHHS testimony conceded that Claimant's MA eligibility for May 2013 factored \$1899 in employment income for Claimant's spouse. It is found that the request for Claimant's spouse's income was unsupported by MDHHS policy.

It should be noted that this is the second hearing decision ordering MDHHS to process Claimant's May 2013 medical expenses. Further capricious actions causing delay in processing Claimant's May 2013 medical expenses would be highly unwelcome.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly failed to process Claimant's medical expenses toward Claimant's May 2013 MA eligibility. It is ordered that MDHHS process Claimant's previously submitted medical expenses towards Claimant's previously determined MA deductible for May 2013. The actions taken by MDHHS are again **REVERSED**.



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**Christian Gardocki**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **6/19/2015**

Date Mailed: **6/19/2015**

CG / hw

**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:

