

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-006708
Issue No.: 2007
Case No.: [REDACTED]
Hearing Date: June 3, 2015
County: Wayne (35)

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 3, 2015, from Redford, Michigan. [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 denied payment for a medical expense for the reason that Claimant failed to bill within 12 months after the date that the medical expense was incurred.

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 September 2013, Claimant incurred a medical expense.
2. On an unspecified date, an administrative hearing decision ordered MDHHS to process MA eligibility for Claimant for September 2013, based on Claimant being a disabled individual.
3. On [REDACTED], MDHHS approved Claimant's Medical Assistance, effective September 2013, and mailed a Health Care Coverage Determination Notice to Claimant's AHR.

4. On an unspecified date after [REDACTED], Claimant's AHR contacted MDHHS seeking an exception to the 12 month billing limitation for medical services.
5. On [REDACTED], MDHHS denied Claimant's AHR's request (see Exhibit A1) for the reason that MA eligibility "existed on the eligibility database before the 12 month limitation."
6. On [REDACTED], Claimant's AHR requested a hearing to dispute the denial of the medical billing exception.

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. DHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. DHHS 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 after MDHHS denied Claimant's request for an exception to the 12 month billing limitation. Claimant's AHR sought payment for a medical expense that Claimant incurred in September 2013. The date that Claimant's AHR sought to bill was not established. It is known that the date occurred sometime after [REDACTED], the date that MDHHS mailed notice of Claimant's approval of MA benefits for September 2013. It is also known that Claimant's AHR's request occurred on or before [REDACTED], the date that MDHHS completed a Request for Exception to the Twelve-Month Billing Limitation for Medical Services (Exhibits 1-2).

Providers must use MA billing procedures to obtain payment for services performed. BAM 402 (July 2014), p. 10. Billings should be submitted within 12 months from the date of service. *Id.*

Claimant's AHR did not allege that medical billing occurred within 12 months from Claimant's date of medical service. Claimant's AHR instead contended that MDHHS improperly denied an exception to the 12 month deadline.

Exceptions to the 12 month billing policy can be made if the delay is caused by agency error or as a result of a court or administrative hearing decision. Agency errors are limited to:

- Delayed Bridges coding, including level of care changes.

- MRT review.
- Administrative review.
- Delayed eligibility determination.

Id.

Claimant's AHR sought to bill Medicaid for a medical expense from September 2013; the date of service was not identified. It was established that MDHHS approved Claimant's MA eligibility from September 2013 on [REDACTED]. Based on Claimant's estimated date of service and notice date of MA benefits, Claimant's AHR had at a minimum, a few days in August 2014 to bill Medicaid before the 12 month billing deadline expired.

MDHHS presented a statement signed by T. Distel indicating the reason for denying Claimant's AHR's medical billing exception request. The statement read, "Failure to bill Medicaid timely when eligibility and/or LOC periods existed on the eligibility database before the 12 month limitation is not an appropriate reason." The MDHHS reason for denial essentially states that if MDHHS processes a client's MA eligibility one day before the 12 month billing deadline, then a biller has no excuse for not billing Medicaid on the one day. Such an interpretation is preposterous; more importantly, it contradicts MDHHS policy.

Above-cited MDHHS policy allows for medical billing exceptions when there is a delay in a client's eligibility determination. In the present case, MDHHS waited approximately 11 months to process Claimant's MA eligibility. The standard of promptness for evaluating disability is 90 days (see BAM 115). The MDHHS delay in approval could very reasonably be interpreted as an exception to the 12 month billing requirement. Whether the exception justifying a billing exception is based on administrative review or a delayed eligibility determination is of no importance; either applicable exception justifies a finding that MDHHS improperly denied Claimant's medical billing exception concerning unpaid medical expenses from September 2013.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHHS improperly denied Claimant's medical billing exception for a September 2013 medical expense. It is ordered that DHHS approve Claimant's exception to the 12-month billing limitation for medical expenses incurred in September 2013.

The actions taken by DHHS are **REVERSED**.



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

Date Signed: **6/10/2015**

Date Mailed: **6/10/2015**

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:

