

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 15-007759  
Issue No.: 2004  
Case No.: [REDACTED]  
Hearing Date: June 24, 2015  
County: Macomb (20)

**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, a telephone hearing was held on June 24, 2015, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Michigan Department of Health and Human Services (MDHHS) included [REDACTED], hearing facilitator.

**ISSUE**

The issue is whether MDHHS properly failed to issue Medicare Savings Program (MSP) benefits to Claimant.

**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, MDHHS approved Claimant for MSP benefits, effective May 2014.
2. On [REDACTED], MDHHS certified Claimant to be eligible for MSP benefits from May 2014.
3. On [REDACTED], Claimant requested a hearing to dispute the failure by MDHHS to issue MSP benefits for the period from May 2014, through March 2015.

## 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).

MSP benefits are a subsection of the MA program. MSP programs offer three different degrees of assistance with payment toward a client's Medicare premium and deductibles. BEM 165 (April 2014), p. 1. Qualified Medicare Beneficiaries (QMB) coverage pays for a client's Medicare premiums, coinsurances, and deductibles. *Id.* Specified Low Income Beneficiaries (SLMB) coverage pays for a client's Medicare Part B premium. *Id.* Additional Low Income Beneficiaries (ALMB) coverage pays for a client's Medicare Part B premium if DHHS funding is available. *Id.* Income is the major determiner of category. *Id.* Claimant

Claimant requested a hearing to dispute a failure by MDHHS to issue MSP benefits from May 2014 through March 2015. MDHHS conceded that Claimant was eligible for MSP benefits for the time in question. A presented Eligibility Summary (Exhibit 1) verified Claimant's MSP eligibility from May 2014 through March 2015. The Eligibility Summary noted a certification date of [REDACTED] for Claimant's SLMB eligibility for the months of May 2014 through April 2015.

MDHHS can verify MSP eligibility but has no known way to verify the issuance of MSP benefits. In the present case, Claimant's testimony was the only evidence presented concerning whether she received MSP benefits from May 2014 through March 2015; Claimant credibly testified that she did not receive MSP benefits for that time. Based on the presented evidence, it is found that MDHHS has not issued MSP benefits to Claimant for the months of May 2014 through March 2015.

MDHHS waited approximately 10 months to approve Claimant's MSP eligibility. The timeframe far exceeds the standard of promptness for determining MSP eligibility, however, Claimant's MSP eligibility is no longer disputed. MDHHS does not provide timeframes for MSP benefit issuances. Thus, it is uncertain if MDHHS should be ordered to issue MSP benefits to Claimant.

MA provides medical assistance to individuals and families who meet the MA financial and nonfinancial eligibility factors. BEM 100 (February 2014), p. 2. The goal of the MA

program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them. *Id.*

Despite the apparent absence of an on-point policy, general MA policy and goals surely did not intend to make clients wait over one year to receive MSP benefits for which they were entitled. A requirement to issue MSP benefits within 12 months from the first month of eligibility will be inferred from MA policy.

Another omission of MDDHS policy is that it is not known to outline the procedures for issuing MSP benefits. Thus, it is not known what action that MDHHS should take in issuing MSP benefits to Claimant. The below order is purposefully vague in ordering MDHHS to initiate the processing of whatever unknown procedures that MDHHS follows in issuing MSP benefits to clients.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly failed to issue MSP benefits to Claimant. It is ordered that MDHHS initiate the issuance of MSP benefits to Claimant for the months from May 2014 through March 2015. The actions taken by MDHHS are **REVERSED**.



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

Date Signed: **6/26/2015**

Date Mailed: **6/26/2015**

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:

