

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

IN THE MATTER OF:

[REDACTED]

MAHS Reg. No.: 15-015831
Issue No.: 2004
Agency Case No.: [REDACTED]
Hearing Date: November 23, 2015
County: Wayne (76) Gratiot/7 Mile

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

HEARING DECISION

Following Petitioner'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 3-way hearing was held on November 23, 2015, from Detroit, Michigan. The Petitioner was represented by [REDACTED] Appeals Specialist for [REDACTED] and Authorized Hearing Representative (AHR) of the Petitioner. The Petitioner did not appear. The Department of Health and Human Services (Department) was represented by [REDACTED], Assistance Payments Supervisor and Hearing Facilitator; and [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly process the application for Medical Assistance (MA) and 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 Petitioner's AHR filed an application for MA on February 14, 2014. The application was not processed by the Department, and no Health Care Coverage Determination Notice was sent.
2. The Petitioner submitted medical bills to the Department for April 2014, which were never processed by the Department although they were received. Exhibit A.
3. The Petitioner's AHR filed a timely hearing request on September 5, 2015, protesting the Department's failure to process.

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, at the hearing, the Department could not produce a Health Care Coverage Determination Notice advising the Petitioner and the AHR of the Department's eligibility determination regarding the Petitioner's February 14, 2014, application for MA, which the Department acknowledged it had received. In addition, the Petitioner's AHR submitted medical bills for April 2014 to the Department for hospitalization, which bills were acknowledged received by the Department. Exhibit A. The medical bills were not processed. The Department testified that the failure to process was a MAGI problem. At the time of the hearing, no help desk ticket had been requested. The Department's inaction places the processing of this matter well beyond the standard of promptness for processing of an MA application. BAM 115 provides:

SDA, RCA, RMA, CDC and MA Only

Certify program approval or denial of the application within 45 days. Bridges automatically generates the client notice. BAM 115 (October 1, 2015) p. 15. All Programs

If an application is **not** processed by the standard of promptness (SOP) date, document the reason(s) in the case record. Document further delays at 30-day intervals. BAM 115, p. 32

DHS-4598, Medical Program Eligibility Notice

Send the group a DHS-4598 or its Bridges equivalent when you:

- Approve or deny MA.

- Add periods of MA coverage to an active deductible case.
- Transfer an active deductible case to ongoing MA coverage.

**DHS-114,
Deductible Notice**

Use a DHS-114 or its Bridges equivalent to notify the group of:

- The start of or transfer to active deductible.
- A change in its deductible amount.
- The begin and end date(s) of MA coverage, when added.
- Its share of the expenses incurred on the date it meets its deductible.
- The names of all providers notified to collect payment from the group for all or part of an expense used to meet deductible.

When a group is liable for all or part of any expense(s) incurred on the first day of MA coverage, send a copy of the DHS-114 (or Bridges equivalent) to **each** provider(s) who must collect all or part of an expense from the group.

**DHS-114A,
Deductible Report**

Send a DHS-114A to the group with every Deductible Notice. At their option, groups may use the DHS-114A to report:

- Incurred medical expenses.
- Changes in circumstances. BEM 545, (October 1, 2015), p. 14.

Based upon the evidence presented at the hearing, it is determined that the Department did not follow the above referenced policy as regards to medical bill processing or provide notification of a deductible case.

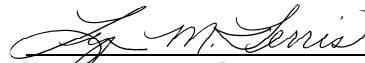
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it failed to process the February 14, 2015, application and April 2014 medical bills to determine eligibility for MA in accordance with Department policy.

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 Petitioner's February 14, 2014, MA application and determine the Petitioner's eligibility.
2. The Department shall provide a written Notice to the Petitioner regarding its eligibility determination **to both** the Petitioner and the Petitioner's AHR, [REDACTED]
3. The Department shall process the Medical Bills submitted and received by the Department for April 14, 2014, and provide the appropriate notice to both the Petitioner and the Petitioner's AHR, [REDACTED]



Lynn M. Ferris

Administrative Law Judge
for Nick Lyon, Director

Department of Health and Human Services

Date Mailed: **11/23/2015**

LMF/jaf

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:

