

**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.: 15-022339  
Issue No.: 2007  
Agency Case No.: [REDACTED]  
Hearing Date: January 14, 2016  
County: Wayne (55)

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**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, an in-person hearing was held on January 14, 2015, from Hamtramck, Michigan. Petitioner appeared and was represented by [REDACTED], Petitioner's daughter, testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

**ISSUE**

The issue is whether MDHHS properly processed Petitioner's medical expenses toward her 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. Petitioner was an ongoing Medical Assistance recipient eligible for Medicaid subject to a [REDACTED]/month deductible.
2. On July 15, 2015 and October 29, 2015, Petitioner submitted medical expenses totaling [REDACTED].
3. On November 9, 2015, Petitioner requested a hearing to dispute the lack of Medicaid from May 2015 through July 2015.

4. On November 16, 2015, MDHHS approved Petitioner for Medicaid from August 11, 2015 –August 31, 2015, and November 3, 2015 through November 30, 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 Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner did not dispute the MA determination that she was eligible for Medicaid subject to a [REDACTED] monthly deductible. Petitioner instead requested a hearing to dispute how her submitted medical expenses were applied towards her deductible.

Petitioner's AHR contended that MDHHS should have issued three months of Medicaid to Petitioner. The AHR did not present supporting policy.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545 (January 2015), p. 10. Each calendar month is a separate deductible period. *Id.* The fiscal group's monthly excess income is called the deductible amount. *Id.*, p. 11. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. *Id.*, p. 11. The client must report medical expenses by the last day of the third month following the month in which the group wants MA coverage. *Id.*

Presumably, Petitioner's AHR relied on the last-cited statement as the basis for contending MDHHS should have issued three months of Medicaid eligibility to Petitioner. The above-cited policy only provides a deadline for clients to report medical expenses; the deadline bars clients from pursuing Medicaid for a benefit month older than four months from the month of reporting. The above-cited policy does not guarantee three months of Medicaid to clients who timely submit medical expenses.

It was not disputed that Petitioner submitted various medical expenses to MDHHS on July 15, 2015 and October 29, 2015. Petitioner did not present copies of the submitted medical expenses; MDHHS did. The following expenses were verified:

Date of service	Amount	Exhibit Reference
		Exhibit 1, p. 6
		Exhibit 1, p. 2 (duplicated by p. 17 and 21)
		Exhibit 1, p. 11
		Exhibit 1, p. 8 (duplicated by p. 10)
		Exhibit 1, p. 5
		Exhibit 1, p. 5 (duplicated by p. 13)
		Exhibit 1, p. 7 (duplicated by p. 19)
		Exhibit 1, p. 11
		Exhibit 1, p. 5 (duplicated by p. 13)
		Exhibit 1, p. 9 (duplicated by p. 10)
		Exhibit 1, p. 5 (duplicated by p. 13)
		Exhibit 1, p. 15
		Exhibit 1, p. 16 (duplicated by p. 20)
		Exhibit 1, p. 18
		Exhibit 1, p. 14

MDHHS appeared to credit Petitioner with additional medical expenses. MDHHS presented a list of prescriptions with a total listed price of [REDACTED] (see Exhibit 1, p. 3). This document was a source of much hearing discussion.

Petitioner testified that she had to take a [REDACTED] prescription every month. Petitioner contended she should be monthly credited for the prescription. First, the presented documents (Exhibit 1, p. 3 and p. 22) indicated a price of [REDACTED] for a 2 month supply; thus, at best, Petitioner is responsible for a bimonthly medical expense of [REDACTED]. Secondly, the presented document did not even verify that Petitioner was responsible for payment of the prescription; the presented document listed a price for the medication, but it in no way indicated that Petitioner was billed for that price. Thirdly, if Petitioner has regular prescription expenses, each bill must be submitted to MDHHS.

Petitioner's verified medical expenses totaled [REDACTED]. The verified expenses do not exceed Petitioner's deductible. It need not be determined whether the deductible amount was [REDACTED] (as stated by Petitioner), or [REDACTED] (as indicated on a Health Care Coverage Determination Notice). Petitioner is not entitled to administrative remedy related to the processing of her medical expenses because the verified expenses do not exceed Petitioner's deductible amount.

As it happened, MDHHS approved Petitioner for two partial months of Medicaid eligibility. MDHHS presented a Health Care Coverage Determination Notice (Exhibit 1, p. 1), stating Petitioner received Medicaid from August 11, 2015 through the end of the month, and November 3, 2015 through the end of the month. Presumably, MDHHS credited Petitioner for her prescription expenses, duplicate expenses, and other expenses which did not verify a date of service (Exhibit 1, p. 4).

It is not known how MDHHS awarded Petitioner partial Medicaid eligibility beginning August 11, 2015, unless Petitioner met her deductible on that date (or the day before). It is probable that MDHHS incorrectly inputted dates of service because the presented bills did not verify any medical services from August 2015. The error is not deemed to be reversible because it is found that Petitioner's presented documents failed to verify bills exceeding the deductible amount.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that Petitioner is not entitled to additional Medicaid eligibility than processed by MDHHS based on medical expense submissions from July 15, 2015 and October 29, 2015. The actions taken by MDHHS are **AFFIRMED**.



**Christian Gardocki**

Administrative Law Judge  
for Nick Lyon, Director

Department of Health and Human Services

Date Signed: **1/21/2016**

Date Mailed: **1/21/2016**

CG/tm

**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:

