



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: June 17, 2016  
MAHS Docket No.: 15-025536  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun**

### **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 telephone hearing was held on May 19, 2016, from Detroit, Michigan. The Petitioner was represented by [REDACTED], Authorized Hearing Representative (AHR) from [REDACTED]. A representative from the Department did not appear for the hearing and the hearing was held in the absence of the Department.

### **ISSUE**

Did the Department properly process Petitioner's application for Medicare Savings Program (MSP) benefits?

### **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 June 30, 2015, [REDACTED], as Authorized Representative (AR) submitted an application for MSP benefits on behalf of [REDACTED], with a request for retroactive coverage to April 2015. (Exhibit 2)
2. The Department failed to process the application or to determine [REDACTED]' eligibility for MSP benefits for April 2015, ongoing.

3. On December 8, 2015, Altegra Health requested a hearing on Petitioner's behalf disputing the Department's failure to process the application and failure to determine Petitioner's eligibility for MSP benefits. (Exhibit 1)

### **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.

MSP are SSI-related MA categories and are neither Group 1 nor Group 2. There are three MSP categories: Qualified Medicare Beneficiaries; Specified Low-Income Medicare Beneficiaries (SLMB); and Additional Low Income Beneficiaries (ALMB). BEM 165 (January 2015), p. 1. QMB is a full coverage MSP that pays Medicare premiums (Medicare Part B premiums and Part A premiums for those few people who have them); Medicare coinsurances; and Medicare deductibles. SLMB pays Medicare Part B premiums and ALMB pays Medicare Part B premiums provided funding is available. BEM 165, pp. 1-2. QMB coverage begins the calendar month after the processing month. The processing month is the month during which an eligibility determination is made. QMB is not available for past months or the processing month. SLMB coverage is available for retro MA months and later months. ALMB coverage is available for retro MA months and later months; however, not for a time in a previous calendar year. BEM 165, pp. 3-4.

Additionally, when the Department receives an application for assistance, it is to be registered and processed in accordance with Department policies. The date of application is the date the local office receives the required minimum information on an application or the filing form. BAM 110 (July 2014), pp.4-7, 18-19. Retro MA coverage is available back to the first day of the third calendar month prior to the current or most recent application for MA applicants. The additional requirements for retro MA eligibility are found in BAM 115. BAM 115 (January 2015), pp. 9-14.

Once an application is registered, the Department must certify eligibility results for each program requested within the applicable standard of promptness (SOP). The SOP

begins the date the department receives an application/filing form, with minimum required information. The SOP is 90 days for an application involving MA in which disability is an eligibility factor, with this date being extended in 60 day intervals by deferral by the Medical Review Team. BAM 115, pp. 1,12-19,22-23. The Department is to notify clients in writing of positive and negative actions by generating the appropriate notice of case action, which is printed and mailed centrally from the consolidated print center. A negative action is a Department action to deny an application or to reduce, suspend or terminate a benefit. After processing an initial application, the Department will notify clients of the approval or denial. BAM 115, pp. 1,18;BAM 220 (April 2015), pp. 1-3. An AR is a person who applies for assistance on behalf of the client and/or otherwise acts on his behalf. The AR assumes all the responsibilities of the client, and thus, notice of any negative actions taken on a case or application must be sent to the AR. See BAM 105 (April 2015); BAM 110, pp. 8-11.

In this case, Altegra Health requested a hearing disputing the Department's actions with respect to an application for MSP benefits that it submitted. The Department did not appear for the hearing, however, the Hearing Summary prepared for the hearing was read into the record. The Hearing Summary does not address the issues raised in the request for hearing, however, and references a different application. Petitioner's AHR testified that it has not received any contact from the Department concerning the application or the client's eligibility for MSP benefits.

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 because the Department was not present to establish that the application was registered and processed according to policy or that Petitioner and the AR were issued an eligibility notice informing of the Department's decision, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it processed the June 30, 2015, MSP application

### **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. Register and process the June 30, 2015, MSP application to determine [REDACTED] [REDACTED] eligibility for MSP benefits under the most beneficial category for the period of April 1, 2015, ongoing;

2. Provide [REDACTED] with any MSP coverage that she was entitled to receive but did not from April 1, 2015, ongoing; and
3. Notify Petitioner and AHR of its decision in writing.



ZB/tlf

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**Zainab A. Baydoun**

Administrative Law Judge  
for Nick Lyon, Director

Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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

[REDACTED]

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