



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: [REDACTED]
MAHS Docket No.: 16-006925
Agency No.: 1 [REDACTED]
Petitioner: [REDACTED]

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, a telephone hearing was held on [REDACTED] from [REDACTED] Michigan. Petitioner appeared and was unrepresented. Petitioner's son, [REDACTED], and Petitioner's daughter-in-law, [REDACTED], 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 failed to process submitted medical expenses towards an ongoing 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 recipient of Medicaid subject to a monthly deductible.
2. As of [REDACTED], Petitioner's Medicaid deductible was \$812.
3. As of [REDACTED], Petitioner's Medicaid deductible was \$795.
4. On an unspecified date in [REDACTED] Petitioner attempted to submit to MDHHS various medical expenses from [REDACTED] and [REDACTED].

5. MDHHS refused to accept the submitted medical expenses.
6. On May 18, 2016, Petitioner requested a hearing to dispute the MDHHS failure to accept incurred medical expenses.

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's hearing request indicated a need for special accommodations. Petitioner indicated she was blind and sought an in-person hearing. An in-person hearing was scheduled. As it happened, Petitioner timely appeared for the administrative hearing though the presiding judge did not. By the time the presiding judge appeared, Petitioner had left the MDHHS office. Petitioner agreed to waive her right to appear in-person and the hearing was held by telephone.

Petitioner's hearing request indicated a dispute concerning MA. It was not disputed Petitioner was an ongoing recipient of Medicaid subject to a monthly deductible.

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 ([REDACTED] 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 tested. *Id.*, p. 11. The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. *Id.*

Petitioner testified she incurred over \$2,000 in medical expenses over the months of [REDACTED]. Petitioner testified she reported those expenses to MDHHS in [REDACTED]. Petitioner also testified she brought the medical bills to MDHHS in [REDACTED]. Petitioner testified that her specialist refused to accept the medical bills.

During the hearing, MDHHS was given time to bring Petitioner's specialist and/or specialist's supervisor to the hearing so that a rebuttal may be offered. Neither Petitioner's specialist nor her specialist's supervisor were available.

Petitioner's testimony was credible and unrebutted. It is found Petitioner attempted to submit to MDHHS medical expenses from [REDACTED].

MDHHS policy does not allow specialists to refuse a submission of medical expenses. Though Petitioner did not technically submit medical expenses to MDHHS in [REDACTED], she should be credited for the submission.

If [medical expenses are] equal to or more than the remaining excess income, income eligibility exists starting on... the exact day the expenses exceeded the excess income. *Id.*, p. 4. However, MA may only be billed for the amount that exceeds the group's liability [...]. *Id.*

MDHHS presented documentation of Petitioner's Medicaid eligibility (see Exhibit 1, pp. 3-4). Presented documentation verified Petitioner had a Medicaid deductible of \$812 in [REDACTED] and a \$795 deductible in [REDACTED]. Petitioner's reported medical expenses exceeded her deductibles for [REDACTED] and [REDACTED]. Thus, MDHHS cannot justify a refusal to accept the medical bills on the bills not exceeding the deductible.

An order that MDHHS process Petitioner's medical expenses from [REDACTED] and [REDACTED] is apt. MDHHS cannot be ordered to process the submitted medical expenses because Petitioner testimony indicated she misplaced the bills. Petitioner will have to resubmit the medical expenses to MDHHS.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly refused to accept and process medical expenses from Petitioner. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) Request proof of Petitioner's medical expenses from [REDACTED] and [REDACTED]
- (2) Initiate processing of medical expenses subject to the finding that Petitioner should be credited with a [REDACTED] submission date.

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

CG/hw



Christian Gardocki

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 [REDACTED] 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

DHHS



Petitioner

