



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: October 24, 2016
MAHS Docket No.: 16-012155
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 October 12, 2016, from Lansing, Michigan. [REDACTED] (Petitioner) appeared and represented himself. [REDACTED], Hearing Facilitator, represented the Department of Health and Human Services (Department). Neither party called any witnesses.

The Department offered the following exhibits which were admitted into evidence: **[Department's Exhibit 1:** Hearing Summary (pages 1-4), Pre-Hearing Conference Letter (page 5), Request for Hearing (page 6), Health Care Coverage Determination Notice (pages 7-13), Deductible Report (pages 14-15), [REDACTED] collection bill (page 16), [REDACTED] bill (page 17), [REDACTED] bill (page 18), [REDACTED] Invoice (page 19), [REDACTED] bill (pages 20-21), [REDACTED] bill (pages 22-23), [REDACTED] bill (pages 24-25), [REDACTED] bill (pages 26-27), [REDACTED] bill (pages 28-29), Health Care Coverage Determination Notice (pages 30-33), [REDACTED] bill (pages 34-35).]

Petitioner offered the following exhibits which were admitted into evidence: **[Petitioner's Exhibit A:** [REDACTED] bill (page 1), [REDACTED] bill (page 2), [REDACTED] bill (page 3), [REDACTED] bill (page 4), [REDACTED] bill (page 5), [REDACTED] bill (page 6), [REDACTED] bill (page 7), [REDACTED] bill (page 8), [REDACTED] bill (page 9), [REDACTED] bill (page 10), [REDACTED] bill (page 11), and [REDACTED] bill (page 12).]

The record closed at the conclusion of the hearing.

ISSUE

Did the Department properly process Petitioner's medical bills concerning his Medical Assistance (MA) deductible case?

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 active for MA benefits with a \$ [REDACTED] monthly deductible. [Department's Exhibit 1, pp. 8-13].
2. On July 5, 2016, the Department received Petitioner's completed Deductible Report (DHS-114A) along with several medical bills. [Dept. Exh. 1, pp. 14-15]. Petitioner included a bill from a collections agency ([REDACTED]) on behalf of [REDACTED] dated June 29, 2016, in the amount of \$ [REDACTED]. The Department refused to enter the bill as a medical expense because the bill did not contain a date of service and because the bill did not include the name of the institution that provided services. [Dept. Exh. 1, p. 16]. Petitioner included a bill from [REDACTED] dated July 1, 2016, in the amount of \$ [REDACTED] for an admission date of September 4, 2015. [Dept. Exh. 1, p. 17]. Petitioner submitted a bill from [REDACTED] dated February 5, 2016, in the amount of \$ [REDACTED], but the bill did not include a date of service so the Department did not enter it as an expense. [Dept. Exh. 1, p. 18].
3. On July 18, 2016, the Department received Petitioner's medical bills from [REDACTED] in the amount of \$ [REDACTED] dated September 11, 2015. [Dept. Exh. 1, p. 19]. The Department did not enter this bill as an expense because it did not include a date of service. Petitioner also submitted the same \$ [REDACTED] bill from [REDACTED] (See Exh. 1, p. 18) at this time. [Dept. Exh. 1, p. 20]. The Department did not enter this bill because it was duplicate bill. Petitioner also submitted bills from [REDACTED] from March 22, 2016, in the amount of \$ [REDACTED]. [Dept. Exh. 1, pp. 22-23]. The Department processed this bill toward Petitioner's MA deductible as a medical expense. Again, Petitioner sent the same bill from [REDACTED] dated July 1, 2016, in the amount of \$ [REDACTED] for an admission date of September 4, 2015. [See Dept. Exh. 1, pp. 17, 24]. The Department did not enter this bill as an expense because it was used for May 2016.
4. On July 25, 2016, the Department received Petitioner's bill from [REDACTED] from February 1, 2015, through July 25, 2016. The bill indicated that the balance due was \$ [REDACTED]. [Dept. Exh. 1, pp. 26-27]. The Department indicates that the bill was entered as a medical expense.

5. On August 9, 2016, the Department received Petitioner's bill from [REDACTED] in the amount of \$ [REDACTED] for a service date of May 12, 2016. [Dept. Exh. 1, pp. 28-29]. The Department did not process this bill.
6. On August 10, 2016, the Department mailed Petitioner a Health Care Coverage Determination Notice (DHS-1606) which indicated that his May deductible had been met. "Please have [REDACTED] re-bill Medicaid for your bill." [Dept. Exh. 1, pp. 31-33].
7. On August 9, 2016, the Department received the same bill from [REDACTED] in the amount of \$ [REDACTED] for a service date of May 12, 2016. [Dept. Exh. 1, pp. 28-29]. [Dept. Exh. 1, pp. 34-35]. The Department did not process this bill as it was previously used toward his deductible.
8. On August 19, 2016, Petitioner requested a hearing concerning his MA deductible or spend down "report."

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.

For purposes of MA or "Medicaid," a deductible amount is the amount of income which must be applied to the cost of medical care before MA can be authorized. Bridges Program Glossary (BPG) p. 16 (10-1-2015). A deductible case is an active MA case with no ongoing MA eligibility or coverage. The case meets all other eligibility requirements but income exceeds allowable limits. Periods of coverage are added when the client becomes income eligible by incurring medical expenses. Each deductible period is a calendar month. See BPG, p. 16.

BEM 545, p. 1 (7-1-2016), completes the Group 2 MA income eligibility process. Income eligibility exists for the calendar month tested when: (1) there is no excess income and (2) allowable medical expenses equal or exceed the excess income. BEM 545, p. 1.

BEM 545, p. 1 provides, in pertinent part, that when **one** of the following equals or exceeds the group's excess income for the month tested, income eligibility exists **for the entire month**:

- Old bills.
- Personal care services in clients home, Adult Foster Care (AFC), or Home for the Aged (HA).
- Hospitalization.
- Long-term care.

When **one** of the above does **not** equal or exceed the group's excess income for the month tested, income eligibility begins either:

- **The exact day of the month** the allowable expenses **exceed** the excess income.
- **The day after the day of the month** the allowable expenses **equal** the excess income.

See BEM 545, p. 1. [Emphasis in original].

The individual must be given the most advantageous use of their old bills (also known as incurred expenses). The individual may request coverage for the current month, up to six future months (see eligibility based on old bills in this item), and for any prior months. BEM 545, p. 2.

According to BEM 545, p. 11, meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested.

The Department adds periods of MA coverage each time the group meets its deductible. BEM 545, p. 11.

In the instant matter, Petitioner requested a hearing because he alleged that when he visited the doctor, he was told that he was not active for MA. According to Petitioner, his MA card is inactive. Petitioner also contends that he faxed medical bills to the Department for processing toward his deductible case [See Pet. Exh. A], but that the Department failed to process the bills. Petitioner states that the Department failed to properly process the medical bills and, as a result, he was unable to meet the deductible for the months of June and July 2016. Petitioner specifically questioned why the \$ [REDACTED] bill from [REDACTED] for May 12, 2016 was not processed. [Dept. Exh. 1, pp. 28-29].

At the hearing, the Department representative initially testified that Petitioner's caseworker reported that Petitioner submitted the same bills on multiple occasions or that the bills that he submitted did contain sufficient information for processing. The Department representative then stated that Petitioner did not meet the deductible for the months of June and July because he failed to submit the bills identified in Petitioner's Exhibit A. However, the Department representative later testified that the Petitioner did, in fact, provide the Department with the \$ [REDACTED] [REDACTED] bill dated May 12, 2016. [Dept. Exh. 1, pp. 28-29]. She stated that she did not understand why this \$ [REDACTED] bill was not processed. The Department caseworker, based on Bridges, stated that Petitioner's prior caseworker failed to process this bill and that it should be reprocessed.

Testimony and other evidence must be weighed and considered according to its reasonableness. *Gardiner v Courtright*, 165 Mich 54, 62; 130 NW 322 (1911); *Dep't of Community Health v Risch*, 274 Mich App 365, 372; 733 NW2d 403 (2007). The weight and credibility of this evidence is generally for the fact-finder to determine. *Dep't of Community Health*, 274 Mich App at 372; *People v Terry*, 224 Mich App 447, 452; 569 NW2d 641 (1997). Moreover, it is for the fact-finder to gauge the demeanor and veracity of the witnesses who appear before him, as best he is able. See, e.g., *Caldwell v Fox*, 394 Mich 401, 407; 231 NW2d 46 (1975); *Zeeland Farm Services, Inc v JBL Enterprises, Inc*, 219 Mich App 190, 195; 555 NW2d 733 (1996).

This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record. The relevant issue concerns the Department's alleged failure to process the \$ [REDACTED] medical bill from [REDACTED]. Petitioner's medical bills contained in Petitioner's Exhibit A were not relevant to this matter because he did not provide credible evidence that he previously forwarded them to the Department for processing. Because the Department did not receive these bills, the undersigned cannot find that the Department failed to process these bills. At the beginning of the hearing, it appeared as though Petitioner did not face any negative action from the Department. However, Petitioner credibly testified that when he visited his physician, he was informed that his MA case was inactive. During the hearing, the parties explored all the exhibits and the Department representative conceded that Petitioner's \$ [REDACTED] bill from [REDACTED] for a service date of May 12, 2016 was received by the Department, but was not processed. Accordingly, the Department representative graciously offered to process Petitioner's \$ [REDACTED] medical bill as well as reprocess the other bills for the months of June and July 2016. Petitioner had no objection to the Department's request for assistance. As a result, the parties have reached an agreement to resolve this matter and there is no need for further analysis.

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 all of his medical bills toward his deductible for the months of June and July 2016.

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:

- Reprocess Petitioner's medical bills toward his MA deductible for the months of June and July 2016.

IT IS SO ORDERED.

CAP/mc



C. Adam Purnell

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

DHHS

[REDACTED]

Petitioner

[REDACTED]