



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

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Date Mailed: June 17, 2016
MAHS Docket No.: 16-006180
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 June 14, 2016, from Detroit, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by ██████████, Hearing Facilitator.

ISSUE

Did the Department properly process Petitioner's November 11, 2015 medical bill under her Medicaid (MA) 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 an ongoing recipient of MA benefits.
2. On October 14, 2015, the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that she was eligible for MA subject to a monthly \$1040 deductible effective November 1, 2015 (Exhibit A, p. 23).
3. On November 11, 2015, Petitioner received medical services at ██████████ (HF).

4. On March 15, 2016, HF sent Petitioner a notice advising her that it had billed MA but MA had denied her claim indicating that coverage was not currently active (Exhibit A, p. 33).
5. On March 29, 2016, the Department received a copy of the HF bill for services totaling \$5291.05 (Exhibit A, p. 34).
6. The Department did not process the HF bill and activate Petitioner's MA case for November 2015.
7. On May 9, 2016, the Department received Petitioner's signed request for hearing disputing the Department's failure to activate her MA case and pay her bill.

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 November 2015, Petitioner had MA coverage 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 (January 2016), p. 10. Periods of MA coverage are added each time the client meets her deductible. BEM 545, p. 10. A client meets a deductible when he or she reports and verifies allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, p. 11.

Petitioner alleges that the Department improperly failed to apply her November 11, 2015 HF bill towards her November 2015 deductible and activate her MA coverage for November 2015. The Department explained that the bill, which was not received until March 29, 2016, was not timely submitted and therefore could not be used to activate Petitioner's MA coverage for November 2015.

Prior to January 1, 2016, Department policy provided that, in order to meet the deductible and activate coverage, the client must report expenses by the last day of the

third month following the month in which the group wants MA coverage. BEM 545 (October 2015), p. 11. However, this requirement was removed from policy effective January 1, 2016. See BEM 545 (January 2016), p. 11. Therefore, the Department could not rely on the fact that it did not receive the HF bill until March 29, 2016, which is more than three calendar months after the date services were provided on November 11, 2015, to refuse to process the bill. Furthermore, Petitioner credibly testified that she contacted her worker in January 2015 after first receiving the HF bill and, after her worker explained that she would have to submit the bill, she promptly did so. Petitioner explained that the bill the Department received on March 29, 2016 was the second time she had submitted a bill for medical services rendered by HF on November 11, 2015. Therefore, Petitioner established that she timely submitted the HF bill within three calendar months of the month services were incurred.

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 Petitioner's November 11, 2015 HF medical bill.

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. Process Petitioner's HF medical bill for services incurred November 11, 2015;
2. Activate Petitioner's MA coverage for November 2015 if eligible;
3. Provide Petitioner with MA coverage she is eligible to receive November 2015; and
4. Notify Petitioner in writing of its decision.

ACE/tlf



Alice C. Elkin

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

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