



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: October 14, 2016  
MAHS Docket No.: 16-011592

[REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE: Aaron McClintic**

**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 September 15, 2016, from Lansing, Michigan. The Petitioner was represented by her daughter [REDACTED]. The Department of Health and Human Services (Department) was represented by [REDACTED] AP Supervisor. [REDACTED] AP Worker also testified. Department Exhibit 1, pp.1-19 was received and admitted Petitioner Exhibit 1, pp. 1-20 was received and admitted. Department Exhibit 2, p.1 was received and admitted.

**ISSUE**

Did the Department properly close Petitioner's MA benefits because she did not meet her deductible in any of the 3 previous months?

**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 a recipient of Medicaid with a [REDACTED] deductible.
2. On July 25, 2016, A Health Care Coverage Determination Notice was sent to Petitioner explaining that her MA case would close effective September 1, 2016, because the deductible has not been met in at least one of the last 3 month.
3. On August 10, 2016, Petitioner requested hearing contesting the closure of MA benefits.

4. Petitioner submitted 20 pages of medical bills at hearing that were dated stamped September 15, 2016, with the [REDACTED] date stamp.
5. Petitioner submitted a Medical Needs form dated June 7, 2016 which states that Petitioner needs assistance with bathing, grooming, dressing, transferring, mobility, taking medications, meal preparation, shopping laundry and housework.
6. Medical bills were submitted by Petitioner on July 8, 2016. (Dept. Ex.1, pp 11-13,16)
7. Medical bills were submitted by Petitioner on June 20, 2016. (Dept. Ex. 1, p.14)
8. The Department provided a printout following hearing from the Electronic Case File that shows Medical Bill received on July 8, 2016, and Medical Documents received on June 20, 2016. (Dept. Ex.2, p.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.

#### **Deductible Amount**

The fiscal group's monthly excess income is called a deductible amount.

#### **Meeting a Deductible**

Meeting a deductible means reporting and verifying allowable medical expenses (defined in "EXHIBIT I) that equal or exceed the deductible amount for the calendar month tested.

Use the NON-L/H PAST AND PROCESSING MONTHS section for non-L/H months and the "L/H PAST AND PROCESSING MONTHS" section for L/H months to determine both:

- The order in which to deduct expenses.
- When to identify a group's liability.

"IDENTIFYING A GROUP'S LIABILITY explains how to determine the group's share of its expense(s) on the first day of MA coverage. BEM 545

### **VERIFICATION REQUIREMENTS**

Verify the following **before** using an allowable medical expense to determine eligibility:

- Date expense incurred.
- Amount of expense.
- Current liability for an old bill.
- Receipt of personal care services provided in a home, an adult foster care home, or home for the aged; see EXHIBIT ID or Exhibit II if verifying ongoing eligibility.

Verify both of the following when you authorize MA based on a personal care co-payment:

- Amount DHHS has authorized for personal care services.
- Amount required but not covered by DHHS payment. BEM 545

### **Verification Sources**

Sources to verify an incurred expense include:

- Bill from medical provider.
- Receipt from medical provider.
- Contact with medical provider or the provider's billing service.

Sources to verify current liability for an old bill include:

- Current billing or statement from provider.
  - Contact with medical provider or provider's billing service.
- BEM 545

### **Deductible Not Met in Three Months**

Jodi H. has an active deductible case. Her annual renewal is due 1/17.

12/6/16 - Jodi's case appears on the 12/16 RD-093. You review the case and determine that Jodi has not met her deductible in 9/16, 10/16 and 11/16.

Bridges automatically generates a negative action notice.  
BEM 545

In this case, Petitioner submitted medical bills on June 20, 2016 and July 8, 2016. At hearing the Department was requested to provide documentation showing how those bills were processed and how the Department determined that Petitioner did not meet

her deductible. The Department provided a printout from the Electronic Case File showing that the medical bills were “received” and that the “status” was “complete” but no documentation was provided showing whether the bills were used towards the deductible and for what amount. Without the calculation the Department performed to determine whether Petitioner met her deductible the undersigned Administrative Law Judge cannot ascertain whether the Department followed policy in making their determination. BEM 545 On its face, the bill contained in Department Exhibit 1, p.14, submitted by Petitioner on June 20, 2016, shows a charge to Petitioner under “Amount you pay provider” of [REDACTED] which would have met her deductible. The Department provided no explanation regarding why this bill could be used to meet Petitioner’s deductible.

### **DECISION AND ORDER**

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Petitioner’s MA case for failing to meet deductible for 3 consecutive months.

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. Reprocess the medical bills submitted by Petitioner on June 20, 2016 and July 8, 2016.
2. Provide an explanation and calculation showing whether Petitioner met her deductible.
3. Award MA coverage for all months Petitioner meets her deductible.



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**Aaron McClintic**

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]

[REDACTED]  
[REDACTED]  
[REDACTED]

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