



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: February 2, 2017
MAHS Docket No.: 16-017724
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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 January 12, 2017, from Lansing, Michigan. The Petitioner was represented by [REDACTED] spouse. The Department of Health and Human Services (Department) was represented by [REDACTED] Eligibility Specialist, and [REDACTED], Assistance Payments Supervisor.

ISSUE

Did the Department properly determine Petitioner's spouse's eligibility for Medical Assistance (MA) for the month of October 2015?

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's spouse had a monthly deductible that must be met each month before he is eligible for Medicaid coverage for any part of the month.
2. For October 2015, the monthly deductible was \$ [REDACTED] (Exhibit A, p. 6)
3. On January 25, 2016, the Department received verification of medical expenses for Petitioner's spouse totaling \$ [REDACTED] from an October 7-16, 2015, hospitalization. (Exhibit A, p. 5)

4. The Department authorized full Medicaid coverage for Petitioner's spouse for October 16-31, 2015. (Exhibit A, p. 6; Exhibit B, p. 5)
5. It is unknown if or when the Department issued written notice to Petitioner of the Medicaid eligibility determination for the month of October 2015.
6. On November 18, 2016, Petitioner's spouse requested a hearing contesting the Medicaid eligibility determination for October 2015 and related unpaid bills¹. (Exhibit A, p. 3)

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.

Income eligibility exists for all or part of the month tested when the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545, (January 1, 2016), pp. 1-3.

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. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, p. 10-11.

A L/H month is a calendar month containing: at least one day that is part of a period in which a person was (or is expected to be) in a long-term care (LTC) facility and/or hospital for at least 30 consecutive days, and no day that the person was a waiver patient. Bridges Policy Glossary (BPG), October 1, 2015, p. 38.

¹ As discussed during the January 12, 2017, telephone hearing, Petitioner's hearing request will be forwarded for a separate hearing regarding any billing issues. The January 12, 2017, hearing could only address the Medicaid eligibility determination.

For determining income eligibility for a non L/H past month based on inpatient hospital expenses, the Department's policy states:

Inpatient Hospital

4. Determine each qualified fiscal group member's allowable hospital expenses for the month.

- If expenses incurred by **one qualified fiscal group member** for one admission **equal or exceed** the excess income, income eligibility exists for the entire month.
- If expenses incurred by **one qualified fiscal group member** for one admission are **less** than the excess income, go to 5.

BEM 545, p. 4. (underline added by ALJ)

In this case, Petitioner's spouse had a monthly deductible that must be met each month before he is eligible for Medicaid coverage for any part of the month. For October 2015, the monthly deductible was \$ [REDACTED] (Exhibit A, p. 6)

On January 25, 2016, the Department received verification of medical expenses for Petitioner's spouse totaling \$ [REDACTED] from an October 7-16, 2015, hospitalization. (Exhibit A, p. 5)

The Assistance Payments Supervisor testified that the Department approved full Medicaid coverage for the entire month of October 2015. (Assistance Payments Supervisor Testimony) This would have been consistent with the above cited BEM 545 policy that income eligibility exists for the entire month when the hospital expenses incurred by one qualified fiscal group member for one admission equal or exceed the excess income. In this case, the excess income amount was \$ [REDACTED] and the medical expense from the October 7-16, 2015, hospitalization was \$ [REDACTED]. However, the Department's documents show that full Medicaid coverage for Petitioner's spouse was only approved as of October 16, 2015. (Exhibit A, p. 6; Exhibit B, p. 5) Accordingly, the Department's action is reversed and eligibility should be re-determined in accordance with Department policy.

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 did not act in accordance with Department policy when it determined Petitioner's spouse's eligibility for Medical Assistance (MA) for October 2015.

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. Re-determine MA eligibility for Petitioner's spouse retroactive to October 2015 in accordance with Department policy.

CL/mc



Colleen Lack
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]