



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: March 16, 2017  
MAHS Docket No.: 17-001549  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Darryl Johnson

### 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 February 28, 2017, from Lansing, Michigan. The Petitioner appeared on his own behalf, and was accompanied by his daughter, [REDACTED]. The Department of Health and Human Services (Department) was represented by Hearings Facilitator [REDACTED].

### ISSUE

Did the Department properly deny payment of a bill from the [REDACTED] Clinic ([REDACTED]) from July 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 is a recipient of Medical Assistance (MA).
2. On July 14, 2015, Petitioner received services from [REDACTED], for which he was billed \$ [REDACTED] (Exhibit A, Pages 3-4).
3. As of April 20, 2016, there was a balance of \$ [REDACTED] due to [REDACTED].
4. Petitioner submitted the bill to the Department, and it was applied to his \$ [REDACTED] deductible for July 2016 (Pages 10-11).

5. On January 17, 2017, Petitioner filed a request for hearing, asking that the Department pay the statement dated April 20, 2016, stating on the bill, "This shows current balance. July billing was never submitted. Please pay and adjust. Thank you."
6. The Department's position, as stated in the hearing summary, is: "6/14/16 Client turned in a bill for July 2015 of \$ [REDACTED]. The bill was used to meet the deductible of June 2016. The Department was unable to use this bill for July 2015 because it was more than 90 days old per BEM 545 p. 11-12."

### **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 this case, Petitioner was an on-going MA recipient when he had a medical procedure in July 2015. Petitioner credibly testified that he had Humana as his primary insurer in June 2015. In a Remittance Advice dated September 28, 2015, Humana paid some of his medical bills (Exhibit A, Pages 7-9) associated with that procedure. Petitioner submitted the bill to the Department in June 2016, and it was used to meet his deductible for that month.

Petitioner testified that had taken the bill from [REDACTED] into the Department in October 2015. His daughter also testified that, because Petitioner could not drive, she had driven him to the Department on October 26, 2015, and she personally took the bill into the Department where it was date-stamped at the counter. The Department did not have a record of receiving the bill at that time, but the Department could not be certain that the bill was not misfiled.

The Department has interpreted BEM 545 (1/1/17) p. 11-12 as limiting the use of "old bills", which cannot be applied to a month more than 90 days before the bill is submitted. That interpretation seems to come from the following example found on page 12:

The client applies for Health Care Coverage in January 2016. Determination of eligibility is not completed until August 2016 and results

in the determination of a deductible case for January 2016 ongoing. The client has until the last day of the third month (that is November 2016) following the notification that they client has a deductible case (notice sent August 2016) to report the expense.

That is supported by a comment associated with another example on page 11: "As the expense was reported later than the last day of the third month (April 30, 2016) after the expense, it cannot be used for January 2016."

Petitioner and his daughter were credible in their testimony that the bill was delivered to the Department before the end of October 2015. It appears that the Department misdirected that bill after it was delivered, and consequently the Department did not process the bill. The Department erred by not using that bill for June 2015.

### **DECISION AND ORDER**

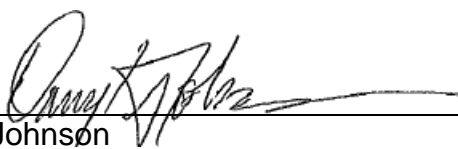
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it did not process the July 2015 expense when it was reported in 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. Process the July 14, 2015 charges from [REDACTED], and provide Petitioner with benefits if he is found to be eligible.

DJ/nr

  
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Darryl Johnson  
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]