



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: June 21, 2017  
MAHS Docket No.: 17-005384  
Agency No.: [REDACTED]  
Petitioner: [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 June 8, 2017, from Lansing, Michigan. The Petitioner was represented by herself. Petitioner's husband, [REDACTED] [REDACTED] also appeared and testified. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED] FIM. Department Exhibit 1, pp. 1-26 was received and admitted without objection. Petitioner Exhibit A, pp.1-4 was received and admitted.

### **ISSUE**

Did the Department properly close Petitioner's Medical Assistance (MA) benefit for failing to meet her deductible?

### **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 received Medicaid with a deductible effective February 1, 2016.
2. On January 23, 2017, Petitioner submitted a deductible report with medical bills incurred in December 2016.
3. On April 28, 2017, Petitioner submitted additional medical bills related to her December 2016 hospital stay.

4. On April 12, 2017, Petitioner requested hearing disputing the MA closure.

### **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.

This item completes the Group 2 MA income eligibility process.

Income eligibility exists for the calendar month tested when:

- There is no excess income.
- Allowable medical expenses (defined in EXHIBIT I) equal or exceed the excess income.

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 (defined in EXHIBIT IB).
- Personal care services in clients home, (defined in Exhibit ID), Adult Foster Care (AFC), or Home for the Aged (HA) (defined in EXHIBIT ID).
- Hospitalization (defined in EXHIBIT IC).
- Long-term care (defined in EXHIBIT IC).

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.

In addition to income eligibility, the fiscal group must meet all other financial eligibility factors for the category processed. BEM 545

In this case, at hearing, Petitioner credibly testified that she did not receive billing for her December 19, 2016, hospital stay at [REDACTED] [REDACTED] until April 28, 2017. The

Department agreed to reprocess that bill towards Petitioner's December 2016 deductible and award coverage if Petitioner was otherwise eligible. This was satisfactory to the Petitioner.

**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. Reinstatement and reprocess Petitioner's MA benefits going back to the date of closure.
2. Award MA benefits if Petitioner is found otherwise eligible.

AM/mc



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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

**DHHS**

[REDACTED]

**Petitioner**

[REDACTED]