



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

SHELLY EDGERTON  
DIRECTOR

Date Mailed: December 1, 2017  
MAHS Docket No.: 17-012729  
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; 42 CFR 438.400 to 438.424; 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 November 1, 2017, from [REDACTED] Michigan. Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator. [REDACTED], ES, also appeared and testified for the Department. Department Exhibit 1, pp. 1-37 was received and admitted.

**ISSUE**

Did the Department properly terminate Petitioner's Medical Assistance (MA) coverage?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On December 15, 2014, a Health Care Coverage Determination Notice was issued informing Petitioner that she was approved for MA beginning January 1, 2015, and ongoing.
2. On December 29, 2014, Petitioner submitted a letter from Blue Cross Blue Shield indicating that her coverage end date was January 1, 2015. (Ex. 1, p.11)
3. On January 22, 2015, health insurance information was added to BRIDGES for Blue Cross Blue Shield.

4. A Department worker processed the Blue Cross termination on [REDACTED] and then submitted an email to Third Party Liability. (Ex. 1, p.31)
5. Petitioner gave birth to a child on [REDACTED], and incurred medical expenses that were covered and paid by Medicaid.
6. BRIDGES incorrectly shows that she had Blue Cross coverage from January 1, 2015, through January 31, 2015. (Ex.1, p.30)
7. Medicaid rescinded the payment made to the hospital because they incorrectly determined that Petitioner had Blue Cross coverage at the time of the hospital stay in January 2015.
8. In July or [REDACTED] Petitioner received a collection letter from the hospital where she gave birth.
9. On [REDACTED] Petitioner requested hearing.

### 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.

#### **Negative Actions**

A **negative action** is identified in Bridges with notice reason(s) in eligibility results. Negative actions include:

- Decrease in program benefits, including case or EDG closure.
- Special living arrangement client pay increase.
- Inactivation of an eligible group member.

**Note:** For CDC when a foster child is adopted by the child's current foster parents during the 12-month continuous eligibility period, CDC should remain open until redetermination with no negative action taken on the CDC EDG.

- CDC family contribution increases.
- Change in payment method to restricted payment (no code needed). Termination of a member's medical eligibility (member remains active but **not** medically eligible).
- Medical coverage cancellation or reduction. BAM 220

In this case, at hearing, the Department acknowledged that Petitioner was active for Medicaid and had no Blue Cross coverage at the time of her hospital stay related to the birth of her child on [REDACTED] [REDACTED] [REDACTED]. Petitioner testified at hearing that she received a collection letter from the hospital in July or August 2017 alleging that she had an outstanding balance of \$ [REDACTED]. Petitioner requested hearing within 90 days of receiving this collection letter and the Department presented no proof that she was given notice of her cancellation of coverage or that she was aware that Medicaid had disallowed the previous payment prior to July or August 2017. Petitioner's hearing request was timely. BAM 600 The rescinding of the payment for the January 29, 2015, hospital stay was improper and incorrect because Petitioner was active for MA at the time of the hospital stay. The Department representative acknowledged this at hearing. In addition, Petitioner was not given notice that her medical coverage was cancelled as required under BAM 220 p.11 and the Department action could have been overturned on that basis as well.

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 cancelled her MA coverage.

### **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. Activate MA coverage for January 2015
2. Rebill and process payment for the hospital bill Petitioner incurred related to the birth of her child on [REDACTED]

AM/md



---

**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]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**Petitioner**

[REDACTED]