



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] Mailed: January 5, 2018
MAHS Docket No.: 17-013977
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 December 11, 2017, from Detroit, Michigan. The Petitioner was represented by himself. The Department of Health and Human Services (Department) was represented by [REDACTED], Assistance Payments Worker.

ISSUE

Did the Department properly process the Medical bills for November 2016?

Did the Department properly apply the November 2016 old medical bill to meet the Petitioner's deductible of [REDACTED] for November 2017 and December 2017?

FINDINGS OF FACT

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

1. The Petitioner and his wife are eligible for Medical Assistance subject to a deductible of [REDACTED] monthly based upon their income.
2. The Petitioner provided the Department medical bills on October 10, 2017 for services received in November 2016, for [REDACTED] October 2016 [REDACTED] September 2016, [REDACTED]; June 2017, [REDACTED] and [REDACTED]; and September 2017, [REDACTED]. Exhibit D.

3. The Department processed the medical bills and applied the bills to meet Petitioner's deductible for November 2017 and December 2017.
4. The Department issued a Health Care Coverage Determination Notice on April 4, 2017 advising the Petitioner that he and his wife were eligible for Medical Assistance subject to a deductible of [REDACTED] ongoing effective May 1, 2017. Exhibit B
5. The Petitioner and his wife receive unearned income of [REDACTED] monthly.
6. The Petitioner submitted medical bills on October 6, 2017 for medical services incurred by Petitioner in November 2016 and months following. All the bills submitted were old bills, except for the bill September 2017 as they were not submitted within 90 days of when the services were incurred. Exhibit D
7. The Department issued a Health Care Coverage Determination Notice on October 30, 2017 finding the Petitioner MA group eligible for full coverage MA due to the deductible having been met applying the old medical bill incurred by Petitioner from November 2016 and as described in paragraph 2 above in the Findings of Fact. Exhibit A.
8. The Department processed the Petitioner's bills for the future months of November 2017 and December 2017 until fully applied and found Petitioner eligible for full coverage Medicaid for those months due to the deductible having been met. Exhibit A.
9. The Petitioner requested a timely hearing on October 20, 2017 protesting the Department's actions.

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 the Petitioner and his wife are subject to a deductible [REDACTED] monthly for their Medical Assistance and requested a hearing regarding the Department's failure to process an old medical bill submitted to the Department on October 10, 2017 for the month the bill was incurred, November 2016. The Petitioner wanted the medical bill for services in November 2016 processed for the month of November 2016, but the bill was not received by the Department within 90 days of the date of services. The Department declined to process the bill for November 2016 because the bill was received 90 after the month of November 2016 the month for which Petitioner wanted the bills to be applied. The Department did process the bill for November and December 2017 to meet the Petitioner's monthly deductible for those months.

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. 11. **The group must report expenses by the last day of the third month following the month in which the group wants MA coverage.** BEM 545, (July 2016), p. 11.

Department policy provides: The 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. BEM 545 (January 2016 and July 2016), p. 10. Each calendar month is a separate deductible period. BEM 545, p. 10. The fiscal group's monthly excess income is called a deductible amount. BEM 545, p. 11. 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. BEM 545, p. 11. 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.

BEM 545, p. 1.

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 II), 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).

BEM 545, p. 1.

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.

BEM 545, p. 1.

To simplify the above policy, individuals are responsible for their medical expenses up to their deductible amount and any medical expenses incurred in excess of their deductible, would be covered by Medicaid. However, policy also allows for instances where the deductible can be delayed for one or more future months based on old medical bills. A group with excess income based upon old medical bills can delay deductible for one or more **future** months based on allowable old bills. BEM 545, p. 9.

Because the bills in question were submitted beyond the 90 days of the date services were incurred, they are considered old medical bills and can only be applied for future months to meet the deductible amount.

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 acted in accordance with Department policy when it did not apply medical bills submitted to the Department on October 2017 for services incurred in November 2017 to meet the November 2016 deductible as the bills were not submitted within 90 days of the month of November 2016.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.

LF/tm



Lynn M. Ferris

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]

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[REDACTED] [REDACTED]
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