



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

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Date Mailed: September 24, 2018
MAHS Docket No.: 18-007515
Agency No.: ██████████
Petitioner: ██████████

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 August 27, 2018, from Detroit, Michigan. The Petitioner was represented by herself and the matter involved her husband ██████████, whose medical expense submissions were at issue. ██████████ was also present as a witness and as a representative of Petitioner. The Department of Health and Human Services (Department) was represented by Valerie Foley, Hearing Facilitator.

ISSUE

Did the Department properly decline to process the Petitioner's medical bills as presented?

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's spouse is a Medicaid recipient with a monthly spenddown of \$██████████ (Exhibit 1.)
2. On March 19, 2018, the Department sent the Petitioner a Health Care Coverage Determination Notice (HCCDN) notifying him that effective April 1, 2018, he was approved for medical assistance (MA) with a monthly deductible of \$██████████ (Exhibit 2.)

3. Included with the HCCDN was a Deductible Report provided to Petitioner so that medical expenses could be submitted to the Department.
4. On July 27, 2018, the Petitioner's caseworker sent a Quick Note to Petitioner regarding the medical bills and advising the Petitioner that the medical bills submitted to the Department on March 27, 2018, were unreadable; and they were unable to be processed. The Petitioner was advised to resubmit the bills so they could be processed. (Exhibit 5.)
5. One of the medical bills submitted by Petitioner on March 27, 2018, was provided at the hearing and could only be partially read. (Exhibit 4.)
6. The Petitioner submitted a Price Check Report from her pharmacy which described the amount of various drugs and their costs and the total. The Price Check Report did not contain date of service and amount billed.
7. The Petitioner requested a timely hearing on July 20, 2018, protesting the Department's action.

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 is a recipient of MA and is subject to a monthly deductible of \$ [REDACTED]. The deductible amount was not at issue. The processing of Petitioner's medical bills by the Department was at issue. At the time the Petitioner was determined to be eligible for MA with a spenddown deductible, the Department provided the Petitioner with the HCCDN which included a Deductible Report to be used by the Petitioner when submitting medical bills to be applied to the deductible. The Deductible Report requires the date of service, name of recipient incurring the bill, provider name and the amount of the charges. The Petitioner submitted bills on March 27, 2018, which were unreadable when scanned. The Department advised the Petitioner in a Quick Note on July 27, 2017, that the bills could not be read and that they needed to be resubmitted.

In addition, the Petitioner submitted a Price Check Report from her pharmacy which described the amount of various drugs and their costs and the total. The Price Check Report did not contain date of service and amount billed. It was also unclear which of the listed drugs were received by Petitioner.

At the time of the hearing, the Department did not have medical bills to be processed except for bills submitted after the hearing request and thus, are not considered a part of the current hearing request before the undersigned.

Department policy in BEM 545 provides that medical bills be verified as follows:

Verify the following **before** using an allowable medical expense to determine eligibility:

- Date expense incurred.
- Amount of expense.
- Current liability for an old bill.
- Receipt of personal care services provided in a home, an adult foster care home, or home for the aged; see EXHIBIT ID or Exhibit II if verifying ongoing eligibility.

Sources to verify an incurred expense include:

- Bill from medical provider.
- Receipt from medical provider.
- Contact with medical provider or the provider's billing service.

Sources to verify current liability for an old bill include:

- Current billing or statement from provider.
- Contact with medical provider or provider's billing service. BEM 545, (October 2018, p. 16).

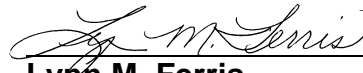
Based upon the evidence presented at the hearing, the Department complied with Department policy and had no bills which were required to be processed based upon the unreadable bills initially presented and the Price Check Report, which did not comply with the verification requirements for medical bills as explained above.

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 could not process medical bills for the reasons the bills were unreadable and others did not contain the dates of service.

DECISION AND ORDER

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

LMF/



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) 763-0155; 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

Susan Noel
MDHHS-Wayne-19-Hearings

Petitioner

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