



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: March 3, 2017  
MAHS Docket No.: 17-001224  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun**

**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 three way telephone hearing was held on February 27, 2017, from Detroit, Michigan. The Petitioner was represented by his Authorized Hearing Representative (AHR) [REDACTED], from [REDACTED]. The Department of Health and Human Services (Department) was represented by William Shoulders, Assistance Payment Supervisor and Terry Wingo, Eligibility Specialist.

**ISSUE**

Did the Department properly process Petitioner's Medical Assistance (MA) benefits?

**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 was previously a recipient of MA under a SSI-Related program without a deductible.
2. On an unverified date, Petitioner was incarcerated.
3. Petitioner's AHR asserted that Petitioner was hospitalized in [REDACTED] 2015, [REDACTED] 2015, and [REDACTED] 2016.
4. Petitioner was released from prison on or around [REDACTED] 11, 2016. (Exhibit 1, p. 5)

5. On several occasions, Petitioner's Authorized Representative (AR), ██████████ requested that the Department process the level of care change needed in order for Petitioner's provider to bill for hospital services. (Exhibit 1)
6. On January 17, 2017, ██████████, submitted a hearing request on Petitioner's behalf disputing the Department's failure to process the requested level of care change. (Exhibit 1, pp. 2-3)
7. On February 1, 2017, the Department contacted the Help Desk in response to the hearing request and the request for change in level of care. Ticket No. BR-0299285 was issued. (Exhibit A)
8. As of the hearing date, Help Desk Ticket BR-0299285 had not been resolved. (Exhibit A)

### **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, ██████████ submitted a hearing request asserting that the Department failed to process its prior requests to change the level of care code with respect to Petitioner's MA coverage. At the hearing, Petitioner's AHR testified that Petitioner was incarcerated and hospitalized for periods in ██████████ 2015, ██████████ 2015, and ██████████ 2016. Petitioner's AHR maintained that because of the incorrect level of care code in the Bridges system, Petitioner's provider is unable to bill for hospital services.

Residents of institutions (including jails or prisons) can qualify for certain program benefits in limited circumstances. For MA purposes, an individual can remain eligible and an applicant can be determined eligible for Medicaid during a period of incarceration. Medicaid coverage is limited to off-site inpatient hospitalization only. BEM 265 (July 2015), pp. 1-3. An individual is in jail, prison or detention until released: on bail; as not guilty; on parole; on pardon; upon completing the sentence; under home detention (tethered), or until dismissal of court petition. The case should be maintained

in the local office in which the individual resided before the incarceration. BEM 265, p.3. The Department is to contact the Contact MA exception unit (1-800-292-9570) to enter or remove a level of care (LC) code 32 to identify an individual who is incarcerated. Further, the Department is to remove level of care code 32 when the individual is no longer incarcerated. If the individual is incarcerated in a county jail, provider ID [REDACTED] the local office specialist may change the level of care without contacting the exception unit at DCH. BEM 265, p. 3.

At the hearing, the Department conceded that coverage should have been added and corrected for the November 2015, December 2015, and February 2016 periods at issue. The Department testified that the updated MA coverage needs to be added by the Exceptions Unit. The Department further stated that it requested a Help Desk Ticket No. BR-0299285 to resolve the issue, however, as of the hearing date there had been no action or resolution taken. (Exhibit A).

### **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 did not act in accordance with Department policy when it failed to process Petitioner's request for change in level of care code to identify him as incarcerated.

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. Expedite the resolution of Help Desk Ticket No. BR-0299285;
2. Contact the MA Exception Unit to update/change the level of care code 32 for periods of Petitioner's incarceration;
3. Provide Petitioner with any MA benefits he was entitled to receive but did not for the months of November 2015, December 2015, and February 2016;

4. Allow Petitioner's MA provider to bill for services rendered, if any, for the applicable period of November 2015, December 2015, and February 2016; ongoing; and
5. Notify Petitioner and his AHR of its decision in writing.



ZB/tlf

---

**Zainab A. Baydoun**  
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

**Via Email:**

DHHS Hearings Coordinator – 57 – 1843  
BSC4 Hearing Decisions  
EQAD  
M. Best  
MAHS

Counsel for Petitioner:

[REDACTED]

**Via First-Class Mail:**

Petitioner:

[REDACTED]  
[REDACTED]  
[REDACTED]