



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: April 19, 2017
MAHS Docket No.: 17-002405
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Michael J. Bennane

HEARING DECISION

Following Petitioner's request for a hearing, this matter was before Administrative Law Judge Michael Bennane 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, an in-person hearing was held on March 23, 2017, from Warren, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Lynda Brown, Hearing Facilitator.

ISSUE

Did the Department properly close Petitioner's Medicaid (MA) case?

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 an ongoing recipient of MA subject to a monthly \$1,026.00 deductible. The calculation of the deductible was based on Petitioner (i) having gross monthly Retirement, Survivors and Disability Insurance (RSDI) income of \$1,343.90 and gross monthly pension income of \$218.15; (ii) incurring monthly health insurance expenses of \$108.00 for her Part B Medicare premium; (iii) residing in [REDACTED] County; and (iv) being unmarried and thus the sole member of her MA fiscal group.
2. On December 1, 2016, the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that her MA case would close effective January 1, 2017, because she had failed to satisfy the deductible for three months (Exhibit 1).

3. On [REDACTED], 2016, Petitioner reapplied for MA benefits (Exhibit 2, pp. 13-23).
4. On December 22, 2016, the Department sent Petitioner a Health Care Coverage Supplemental Questionnaire requesting that Petitioner submit the completed form to the Department by January 3, 2017, (Exhibit 3, pp. 24-26).
5. The Department did not receive a completed supplemental questionnaire.
6. On January 30, 2017, the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that she was not eligible for MA because she failed to provide additional information requested by the Department through the supplemental questionnaire to determine her eligibility for health care coverage (Exhibit 4, pp. 27-30).
7. On [REDACTED] 2017, the Department received Petitioner's request for hearing disputing 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.

Petitioner requested a hearing disputing her MA case. On the record, the calculation of Petitioner's \$1,026.00 deductible was reviewed. Based on her receipt of gross monthly RSDI income of \$1,343.90 and gross monthly pension income of \$218.15, her monthly health insurance expenses of \$108.00 for her Part B Medicare premium, and her residence in [REDACTED] County as the sole member of her MA fiscal group, the Department properly concluded that Petitioner was ineligible for full coverage MA but was eligible for MA subject to a monthly \$1,026 deductible. BEM 105 (October 2016), p. 1. BEM 166 (July 2013), p. 2; BEM 544 (July 2016), p. 1; RFT 240 (December 2013), p. 1; RFT 200 (December 2013), p. 2. BEM 545 (October 2016), pp. 2-3.

However, a review of the circumstances at the time Petitioner filed her hearing request on [REDACTED], 2017, show that the Department had closed her deductible case effective January 1, 2017, and denied her [REDACTED] 2016, MA application. In a December 1, 2016, Health Care Coverage Determination Notice, the Department

notified Petitioner that her MA case would close effective January 1, 2017, because she had failed to satisfy the deductible for three months (Exhibit 1). In a January 30, 2017, Health Care Coverage Determination Notice, the Department notified Petitioner that her [REDACTED], 2016, application for MSP and MA benefits was denied because she failed to turn in her supplemental questionnaire (Exhibit 4, pp. 27-30). Therefore, Petitioner had no active MA case at the time her hearing request was submitted.

The first issue presented is whether the Department properly closed Petitioner's case. Department policy provides that an active MA deductible case is closed when no one in the group meets all nonfinancial eligibility factors, countable assets exceed the asset limit, the group does not return the redetermination form, the group members cannot be located, or the group fails to provide needed information or verification. BEM 545 (October 2016), p. 13. The policy **expressly** provides that the Department may **not** close the case just because the group fails to verify sufficient allowable medical expenses to meet its deductible. BEM 545, p. 13. An exception applies when **at renewal** the MA group with an active deductible has not met its deductible in at least one of the three calendar months before the redetermination month and none of the members are eligible for QMB (Qualified Medicare Beneficiaries), SLM (Specified Low-Income Medicare Beneficiaries), or ALM (Q1 Additional Low-Income Medicare Beneficiaries). BEM 545, p. 11.

The eligibility summary indicates that Petitioner was previously approved for MA as of January 2016 (Exhibit 1, p. 12). The Health Care Coverage Determination Notice closing her case for failing to satisfy her deductible for three months was effective January 1, 2017 (Exhibit 1, pp. 9-12). Therefore, Petitioner's case closure coincided with her MA renewal. In the December 1, 2016 Notice, the Department explained that the case was closing because Petitioner had not met her deductible for the past three months. However, on October 13, 2016, Petitioner submitted a medical expense for \$1,288 for inpatient hospitalization/nursing care incurred September 12, 2016, (Exhibit 10). This evidence was sufficient to establish that Petitioner met her \$1,026 monthly deductible in one of the three months preceding her MA renewal. Therefore, the Department did not properly close Petitioner's MA case. Because the Department improperly closed Petitioner's MA case, the issue of whether it properly denied the [REDACTED], 2016, application is moot.

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 closed Petitioner's MA case on the basis that she failed to meet her deductible for three 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. Reinstate Petitioner's MA case effective January 1, 2017 and reprocess her MA eligibility;
2. Provide Petitioner with MA coverage she is eligible to receive from January 1, 2017, ongoing; and
3. Notify Petitioner in writing of its decision.

ACE for MJB/jaf



Michael J. Bennane
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
PO Box 30639
Lansing Michigan 48909-8139

DHHS

Lauren Casper
27690 Van Dyke
Warren MI 48093

Petitioner

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