



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]

Date Mailed: July 1, 2019  
MOAHR Docket No.: 19-005281  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

### **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 3-way telephone hearing was held on June 25, 2019, from Detroit, Michigan. Petitioner did not appear for the hearing. Petitioner was represented by her authorized hearing representative (AHR) Linda Balakian-Blake of Independent Medical Networks, Inc. The Michigan Department of Health and Human Services (MDHHS) was represented by Aundrea Jones, hearing facilitator.

### **ISSUE**

The issue is whether MDHHS properly processed Petitioner's medical expenses towards a Medicaid deductible.

### **FINDINGS OF FACT**

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. In January 2019, Petitioner was an ongoing recipient of Medicaid subject to a \$2,401/month deductible.
2. On March 1, 2019, MDHHS received a document summarizing Petitioner's medical expenses for 2018. Exhibit A, p. 7. The document listed \$3,216.16 as Petitioner's share of the medical expenses. The summary did not include a date or description of Petitioner's expenses.

3. On March 5, 2019, Petitioner's AHR faxed seven pages of medical bills to MDHHS. Exhibit A, pp. 3-5. The documents listed the following dates of service and amounts of medical expenses:

<u>Date of Service</u>	<u>Petitioner's cost</u>
December 18, 2018	\$25.00
January 2, 2019	\$53.27
January 3, 2019	\$241.52

4. On May 13, 2019, Petitioner's AHR requested a hearing alleging that MDHHS improperly failed to process submitted medical expenses towards Petitioner's deductible for January 2019.

### **CONCLUSIONS OF LAW**

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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner's AHR requested a hearing to dispute an alleged failure by MDHHS to process medical expenses towards Petitioner's Medicaid deductible for January 2019. It was not disputed that Petitioner's deductible for January 2019 was \$2,401. MDHHS responded that Petitioner's submitted medical expenses did not equal or exceed the deductible amount.

Clients with a deductible may receive MA if sufficient allowable medical expenses are incurred. BEM 545 (October 2018), p. 10. Each calendar month is a separate deductible period. *Id.*, p. 11. The fiscal group's monthly excess income is called the deductible amount. *Id.* Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. *Id.*

MDHHS acknowledged receiving from Petitioner's AHR medical expenses which totaled \$319.79. Two of Petitioner's medical expense submissions were disputed.

Petitioner's AHR testified that a medical bill of \$1,079.38 was submitted to MDHHS on March 5, 2019, as part of a 7-page fax. Petitioner's AHR also testified that Petitioner's bill listed dates of service from July 2018. MDHHS responded that 7 pages were faxed by Petitioner's AHR on March 5, 2019, but the fax included many duplicate bills of Petitioner's January 2019 expenses and did not include a bill for \$1,079.38. MDHHS' testimony was consistent with its original hearing packet which included duplicate bills

for Petitioner's medical expenses from January 2019. Also notable is that Petitioner's AHR did not submit the bill before the hearing. Given the evidence, Petitioner's AHR did not submit to MDHHS a medical expense of \$1,079.38 for dates of service from July 2018. Thus, MDHHS properly did not apply the expense towards Petitioner's Medicaid deductible.

The second disputed expense concerned a submission that MDHHS did receive. MDHHS received a summary of Petitioner's 2018 medical expenses which listed a total cost to Petitioner of \$3,216.16. The summary notably did not include a description or date of service for the expenses. MDHHS contended the summary of expenses was insufficient verification because of the lack of dates of service.

Medical expenses may be used as "old bills" to meet deductibles. *Id.*, p. 20. In processing "old bills", MDHHS is to process them in chronological order. *Id.*, p. 21.

MDHHS' policy is not known to explicitly require medical bills to list a date of service but direction to process bills in chronological order implies such a requirement. Requiring a date of service renders the summary of expenses incurred by Petitioner from 2018 to be insufficient documentation of expenses.

MDHHS also raised a second reason for denying the summary of Petitioner's expenses as acceptable verification. Medical expenses to meet a deductible are allowed only for valid services (see *Id.*, pp. 16-18). Theoretically, a medical biller could bill for an expense which is not a covered medical expense (e.g., use of a television, use of a telephone...). As MDHHS requires medical expenses to be for medical-related costs, MDHHS has reason to require a description of services. Petitioner's summary of expenses from 2018 included no such descriptions. Given the evidence, MDHHS properly did not include Petitioner's summary of medical expenses from 2018 totaling \$3,216.16.

The affirmation of MDHHS' rejection of Petitioner's medical bills for \$1,079.38 and \$3,216.16 leaves Petitioner only with verified medical expenses totaling \$319.79. As the bills did not exceed Petitioner's deductible of \$2,401 from January 2019, MDHHS properly did not process the expenses towards Petitioner's Medicaid deductible. As discussed during the hearing, an unfavorable administrative hearing decision does not ban Petitioner's AHR from later submitting acceptable verification of Petitioner's medical expenses.

**DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly processed Petitioner's medical expenses towards Petitioner's Medicaid deductible for January 2019. The actions taken by MDHHS are **AFFIRMED**.

CG/jaf



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**Christian Gardocki**

Administrative Law Judge  
for Robert Gordon, 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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**DHHS**

Jeanenne Broadnax  
MDHHS-Wayne-18-Hearings

**Authorized Hearing Rep.**

Linda Balakian-Blake  
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**Petitioner**

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