



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]

Date Mailed: September 4, 2019  
MOAHR Docket No.: 19-008046  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler**

**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 28, 2019, from Detroit, Michigan. The Petitioner was represented by [REDACTED] his Authorized Hearings Representative. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearings Facilitator.

**ISSUE**

Did the Department correctly determine the effectiveness date of Petitioner's full coverage Medical Assistance (MA) Program benefits after Petitioner incurred the value of his MA 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. Petitioner was an ongoing MA recipient.
2. On April 26, 2019, the Department received Petitioner's completed Redetermination.
3. On the same day, the Department received a verification from Petitioner indicating that he received care services 24 hours per day and seven days per week which cost him [REDACTED] per month.

4. On May 2, 2019, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing him that he was eligible for MA effective May 1, 2019 with a deductible of [REDACTED] as well as the Medicare Savings Program (MSP) effective June 1, 2019.
5. On May 20, 2019, the Department received verification of prescription expenses in the amount of \$[REDACTED] on May 13<sup>th</sup> and 14<sup>th</sup> of 2019.
6. On May 23, 2019, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing him that he was eligible for MA with a deductible in the amount of [REDACTED] effective May 1, 2019 through May 13, 2019 and that he was eligible for full coverage MA from May 14, 2019 through May 31, 2019.
7. On July 5, 2019, the Department received a verification from Petitioner indicating that effective May 1, 2019, Petitioner received additional services from his care provider in the amount of [REDACTED]
8. On July 22, 2019, the Department received Petitioner's request for hearing, signed by his AHR, disputing the effectiveness date of his full coverage MA benefits.

### **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, Petitioner and his AHR dispute the Department's determination of the MA full coverage effectiveness date. Petitioner initially provided verification of a monthly expense of [REDACTED] per month for care services received. This verification was received by the Department on April 26, 2019. On May 20, 2019, the Department then received verification of an additional [REDACTED] of medical expenses covering May 13<sup>th</sup> and May 14<sup>th</sup>. As a result, the Department began Petitioner's MA full coverage benefits as of May 14, 2019. In July 2019, Petitioner's AHR submitted proof of an additional expense incurred on May 1, 2019 in the amount of [REDACTED]. Petitioner's AHR believes

that because the expense was incurred on the first of the month and verification was submitted, the Department should adjust the MA full coverage beginning date to May 1, 2019. The Department maintains that it cannot adjust the beginning date once it has provided full coverage in a given month.

Policy provides that a group may report additional expenses that were incurred prior to the MA eligibility beginning date that has been implemented for a particular month. BEM 545 (October 2018), p. 13. However, policy also provides that the Department may not alter the MA eligibility beginning date if coverage has already been authorized. BEM 545, p. 14. Instead, any expenses that the group reports that were incurred from the first of the activated month through the day before the activation date may be used and counted as old bills. *Id.* To be considered as an old bill, the expense must have been incurred in a month prior to the month tested; it must be unpaid with liability for the bill still in existence; and it must have been incurred on a date the person had no MA coverage, among other things. BEM 545, pp. 20-21.

At the time the Department received proof of the additional expense for the beginning of May 2019, Petitioner's MA coverage had already been activated for full coverage as of May 14, 2019. Therefore, the Department could not consider the verification submitted in July 2019 for Petitioner's May 2019 deductible. Instead, the Department could apply it as an old bill in another month. Since the deductible was originally met and first verified as of May 14, 2019, the Department properly began the MA full coverage as of May 14, 2019.

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 began Petitioner's MA full coverage as of May 14, 2019 and failed to make any adjustments to the beginning date based upon later verifications.

### **DECISION AND ORDER**

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

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**Amanda M. T. Marler**

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**

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Authorized Hearing Rep.**

[REDACTED]  
[REDACTED]  
[REDACTED]

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**CC:**

[REDACTED]  
[REDACTED]