



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR

S [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: October 8, 2019  
MOAHR Docket No.: 19-009154  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: John Markey**

### **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 October 3, 2019 from Detroit, Michigan. Petitioner appeared and was represented by [REDACTED] Authorized Hearing Representative (AHR). Also appearing on behalf of Petitioner was Darren Kilgore. The Department of Health and Human Services (Department) was represented by Mark Boyd, Family Independence Manager. During the hearing, a 19-page packet of documents was offered and admitted into evidence as Exhibit A, pp. 1-19.

### **ISSUE**

Did the Department properly determine Petitioner's eligibility for Medicaid (MA) coverage under the Group 2 Medicaid (G2S) program after Petitioner's representatives submitted bills to the Department for greater than the deductible amount?

### **FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On July 26, 2019, Administrative Law Judge (ALJ) Ellen McLemore issued a Hearing Decision ordering the Department to redetermine Petitioner's eligibility for MA coverage. Exhibit A, pp. 6-9.
2. On July 27, 2019, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that she was eligible for MA coverage

under the G2S program, subject to a \$678 monthly deductible, effective May 1, 2019. Exhibit A, pp. 10-13.

3. For all times relevant to the instant matter, Petitioner was receiving regular outpatient mental health services, which cost about \$2,800 per month.
4. Petitioner's service providers would send to the Department bills each month showing what the services cost. The bills did not indicate that Petitioner was responsible for any of the cost. Exhibit A, pp. 16-18.
5. Because the Department did not have any indication that Petitioner was responsible for any obligation to pay any portion of those bills, the Department determined that the deductible was never met. Thus, the Department did not initiate Petitioner's MA coverage at any time during the relevant time period.
6. On ██████████ 2019, Petitioner submitted to the Department a request for hearing objecting to the Department's refusal to pay the bills submitted.

### **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 objects to the Department's refusal to initiate Petitioner's MA coverage after Petitioner submitted evidence of medical expenses exceeding Petitioner's deductible amount. The Department's position is that the bills did not in any way indicate that Petitioner had an obligation to pay any of the expenses, and because of that, the deductible was never met.

Petitioner was found to be eligible for MA benefits subject to a monthly deductible through the G2S program. G2S is an SSI-related MA category. BEM 166 (April 2017), p. 1. Eligibility for coverage exists when allowable medical expenses equal or exceed the deductible amount. BEM 545 (July 2019), p. 1; 10-11. In order for a medical expense to be applied towards the deductible, it must actually be incurred by the client. BEM 545, p. 16. To verify whether or not the client incurred any expenses, the Department

needs a billing statement or receipt from a medical provider showing that the client incurred the expense. BEM 545, p. 16.


The bills submitted by Petitioner to the Department do not indicate that Petitioner is responsible for payment. To incur an expense means to be held responsible for payment thereof. In this case, there was no evidence presented to the Department that Petitioner actually incurred any expenses. Rather, the billing was done directly to the Department. As the Department only provides Petitioner coverage once she makes a showing that she incurred the amount of the deductible, the Department properly denied the coverage. However, if more clear bills exist that show Petitioner did in fact incur the expenses, Petitioner may submit them to clarify the issue and obtain coverage if she is so eligible.

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 processed Petitioner's submitted medical bills and determined that they did not go towards meeting the deductible.

**DECISION AND ORDER**

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

JM/cg

  
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**John Markey**  
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

**Via Email:**

MDHHS-Wayne-57-Hearings  
D. Smith  
EQAD  
BSC4- Hearing Decisions  
MOAHR

**Authorized Hearing Rep. –  
Via First-Class Mail:**

[REDACTED]  
[REDACTED]  
[REDACTED]

**Petitioner –  
Via First-Class Mail:**

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