



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: January 24, 2020
MOAHR Docket No.: 19-012908
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 telephone hearing was held on January 15, 2020, from Detroit, Michigan. Petitioner appeared and was represented by [REDACTED], service coordinator of CSI Support and Development. The Michigan Department of Health and Human Services (MDHHS) was represented by Tiffany Dixon, supervisor.

ISSUES

The first issue is whether MDHHS properly processed Petitioner's medical expenses from June 2019 towards a Medicaid deductible.

The second issue is whether MDHHS took an adverse action concerning Petitioner's Medicaid eligibility from July 2019 through November 2019.

The third issue is whether MDHHS properly terminated Petitioner's Medicaid eligibility beginning December 2019.

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 August 13, 2019, MDHHS approved Petitioner for Medicaid subject to a monthly deductible of \$2,089 for June 2019.

2. On an unspecified date, Petitioner submitted various medical bills from June 2019 which exceeded \$2,500.
3. On an unspecified date, MDHHS updated Petitioner's Medicaid eligibility from June 2019 through September 2019, as Medicaid subject to a monthly deductible of \$1,300.
4. From October 2019 to November 2019, Petitioner was approved for Medicaid subject to a monthly deductible of \$2,089.
5. On an unspecified date, MDHHS terminated Petitioner's Medicaid eligibility beginning December 2019 due to Petitioner not activating a deductible for three months. MDHHS did not send written notice of closure to Petitioner.
6. On [REDACTED], 2019, Petitioner requested a hearing to dispute the following: the processing of unpaid medical expenses from June 2019, whether Petitioner's Medicaid eligibility was terminated after June 2019, and whether MDHHS properly terminated Petitioner's Medicaid eligibility beginning December 2019.
7. As of the date of hearing request, Petitioner did not submit to MDHHS medical expenses from dates of service from August 2019 through November 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 submitted a hearing request expressing disputes over Medicaid eligibility. Petitioner's first dispute concerned his Medicaid deductible from June 2019. On August 13, 2019, MDHHS initially determined that Petitioner was eligible for Medicaid subject to a \$2,089 monthly deductible for June 2019. Exhibit A, pp. 6-9. A Health Coverage Determination Notice dated December 4, 2019, verified that Petitioner's deductible for June 2019 was reduced to \$1,300. Exhibit A, pp. 29-31. The notice also stated that Petitioner was eligible for Medicaid for all of June 2019 other than a \$1,300 deductible owed to "Provider1".¹ Petitioner did not dispute Medicaid eligibility; he only disputed the processing of medical expenses from June 2019.

¹ BEM 545 states that clients are to receive Medicaid for an entire calendar month if a deductible is met from in-patient hospitalization. BEM 545 (July 2019) p. 1. Petitioner testified, without rebuttal, that he was hospitalized during June 2019. Presumably, "Provider1" is the hospital that admitted Petitioner.

It was not disputed that Petitioner submitted to MDHHS medical expenses from June 2019 which totaled over \$2,500. Petitioner testified an expectation that his submission should have resulted in payment of all his medical bills from June 2019 other than \$1,300 of his hospital bill. Petitioner contended that MDHHS improperly processed his Medicaid deductible because he is still receiving medical bills from June 2019 which should have been covered after his expense submission to MDHHS.

MDHHS presented a summary of Petitioner's Medicaid eligibility history. Exhibit B, p. 1. The document verified that Petitioner was approved for Medicaid for all of June 2019 subject to a \$1,300 monthly deductible. Documentation of Petitioner's eligibility from June 2019 also verified that he was approved for Medicaid in June 2019, subject to a \$1,300 deductible. The evidence established an agreement between Petitioner and MDHHS concerning Petitioner's Medicaid eligibility from June 2019.

Petitioner's expectation was that his eligible medical expenses from June 2019 would be paid once the bills were submitted to MDHHS. In other words, Petitioner placed responsibility on MDHHS for direct payment of his medical bills from June 2019. BEM 545 explains the process of Medicaid eligibility for deductibles. It is a MDHHS specialist's responsibility to determine a client's Medicaid eligibility based on income and to activate Medicaid for deductible case when medical bills are submitted. Notably absent from policy is the process of payment of medical bills. A MDHHS supervisor credibly testified that the actual payment of medical bills is generally not performed by specialists.² For bill payment, the medical biller must request payment from Medicaid after a deductible is activated. It is the client's responsibility to inform a medical biller that a deductible is active so that bill payment can follow. Given the evidence, MDHHS properly processed Petitioner's Medicaid eligibility from June 2019 and Petitioner is not entitled to further actions from MDHHS.

During the hearing, Petitioner's AHR stated that she also requested a hearing concerning Petitioner's Medicaid eligibility after June 2019. Petitioner AHR suspected that MDHHS terminated Petitioner's Medicaid starting in July 2019 because she was unable to verify the benefits on the CHAMPS system.

After the hearing, MDHHS sent a history of Petitioner's Medicaid eligibility. The documentation verified that Petitioner received Medicaid, subject to a \$1,300 deductible, from June 2019 through September 2019. Beginning October 2019, Petitioner was eligible for a \$2,089 monthly deductible. MDHHS testimony also clarified that eligibility of Medicaid subject to a deductible would not appear on CHAMPS until a deductible was met. It was not disputed that Petitioner had not yet submitted medical expenses for any months other than June 2019; thus, no Medicaid eligibility other than June 2019 would appear on CHAMPS. Given the evidence, MDHHS properly issued Medicaid to Petitioner beginning July 2019.

MDHHS testified that Petitioner's Medicaid eligibility closed beginning December 2019. MDHHS testified that the basis for closure was that Petitioner had not met his

² One possible exception is the payment of in-patient hospital and long-term care bills (see BEM 547).

deductible for over three months.³ Based on the evidence, it will be accepted that Petitioner's Medicaid stopped due to not meeting his deductible for three months.

MDHHS is to renew eligibility for active Medicaid deductible cases at least every 12 months unless the group has not met its deductible within the past three months. BEM 545 (July 2019) p. 12. If a group has not met its deductible in at least one of the three calendar months before that month, and none of the members receive Medicare Savings Program benefits, Bridges, the MDHHS database, will automatically notify the group of closure. *Id.*

Petitioner's testimony acknowledged that he did not submit medical expenses to MDHHS for any month other than June 2019. Thus, Petitioner had not submitted to MDHHS medical expenses for the five-month period from July 2019 through November 2019. As Petitioner had not submitted medical expenses for over three months, MDHHS seemed to properly close Petitioner's Medicaid.

An obstacle to affirming closure is that MDHHS testimony acknowledged that Petitioner was not sent written notice of Medicaid closure. Policy states that Bridges notifies the client of closure. Being notified of closure by the MDHHS database is a requirement that MDHHS send written notice of closure. As Petitioner did not receive written notice of Medicaid closure, the Medicaid closure was improper. The remedy for improper closure of Medicaid is reinstatement of Medicaid.

³ A Health Care Coverage Determination dated November 8, 2019, stated that Petitioner's eligibility would end December 2019 due to excess assets. MDHHS presented no supporting evidence to justify Medicaid closure for excess assets.

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 for June 2019 and properly kept Petitioner's Medicaid eligibility open through November 2019. Concerning the processing of medical expenses from June 2019 and Petitioner's Medicaid eligibility through November 2019, the actions taken by MDHHS are **AFFIRMED**.

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly terminated Petitioner's Medicaid eligibility. It is ordered that MDHHS commence the following actions within 10 days of the date of mailing of this decision:

- (1) Reinstate Petitioner's Medicaid eligibility beginning December 2019 subject to the finding that MDHHS failed to send proper notice of case closure; and
- (2) Issue notice of reinstatement in accordance with policy.

The actions taken by MDHHS are **REVERSED**.

CG/cg



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

Via Email:

MDHHS-Wayne-49-Hearings
D. Smith
EQAD
BSC4- Hearing Decisions
MOAHR

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

[REDACTED]
[REDACTED]
[REDACTED]

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

[REDACTED]
[REDACTED]
[REDACTED]