



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
9890 COATS GROVE RD
WOODLAND, MI 48897

Date Mailed: September 25, 2020
MOAHR Docket No.: 20-004984
Agency No.: 120876700
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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 September 2, 2020. [REDACTED] the Petitioner, appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Susan Forman, Family Independence Manager (FIM). Jayme Schmitt, Eligibility Specialist (ES), appeared as a witness for the Department.

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-22.

ISSUE

Did the Department properly Determine Petitioner's eligibility for Medical Assistance (MA)?

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 [REDACTED] 2019, Petitioner applied for MA. (Exhibit A, p. 2)
2. Petitioner was initially approved for the Group 2 Pregnant Woman program. (Exhibit A, p. 2)
3. Petitioner gave birth on [REDACTED] 2020. (Exhibit A, p. 2)
4. An Eligibility Summary for EDG # 49900395 indicates Petitioner was approved for Medicaid with monthly deductible amounts that varied between \$2,222.00 and

\$3,641.00 for the months from September 2019, through April 2020. (Exhibit A, p. 8)

5. An Eligibility Summary for EDG # 61704712 indicates Petitioner was approved for Medicaid with monthly deductible amounts that varied between \$1,457.00 and \$2,276.00 for the months from May 2020, through August 2020. (Exhibit A, p. 13)
6. For the month of February 2020, Petitioner's monthly deductible was \$2,222.00. (Exhibit A, p. 8)
7. On July 9, 2020, the Department received a copy of a bill from Spectrum Health dated March 29, 2020, for \$2,134.07 for the birth of Petitioner's child on [REDACTED] 2020. (Exhibit A, pp. 9-12)
8. The Department's computer system allowed coverage for May 2020 utilizing the medical expense as an old bill because it was not submitted within 3 months of the date received. (Exhibit A, p. 2)
9. On July 20, 2020, a Health Care Coverage Determination Notice was issued to Petitioner stating MA was approved for September 2019 with a deductible of \$2,807; October 1, 2019 through December 31, 2019, with a \$3,641.00 monthly deductible; January 1-31, 2020, with a \$3,072.00 deductible; and May 1-31, 2020, with full coverage. (Exhibit A, pp. 19-22)
10. On July 24, 2020, Petitioner requested a hearing contesting the Department's determination. (Exhibit A, pp. 4-7)

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.

Income eligibility exists for all or part of the month tested when there is no excess income or the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545, (July 1, 2019), pp. 1-3.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. The examples listed in policy indicate that the client has until the last day of the third month after the expense to report the expense to the Department for it to be utilized for that month; or until the last day of the third month following notification that they have a deductible case to report the expense. BEM 545, p. 10-12.

For Group 2 Pregnant Women, the deductible for a pregnant woman is usually met at the first office visit because the woman incurs the full cost of obstetric (OB) services (including labor and delivery) at their first OB visit. The total cost of the OB services must be equal to or greater than the amount of the deductible in order to open. She is Medicaid eligible for the remainder of the pregnancy and two months post-partum. (BEM 545 pp. 1-2)

In this case, Petitioner is seeking MA coverage for [REDACTED] 2020 for the labor and delivery of her child. However, Petitioner also had additional medical bills that she already paid. Petitioner made calls and emailed caseworkers assigned to her case. Petitioner's testimony indicated she was not made aware of the spend down determination for [REDACTED] 2020 or what she needed to do to timely submit all of her medical expenses. For example, Petitioner had contacts with a prior caseworker in [REDACTED] [REDACTED] and [REDACTED] 2020, because she received a statement in the mail indicating she had a cost share obligation of around \$498.00. When Petitioner asked the caseworker what that entailed, she indicated Petitioner had a deductible of around \$1,457.00. Subsequently, when Petitioner asked if she should also submit the medical bills for these same service dates that she already paid, Petitioner was advised to just bring them up at the hearing. Those bills total \$2,340.87. (Petitioner Testimony)

The testimony of the Department indicated the case record only shows an October 14, 2019, Notice issued to Petitioner indicating a deductible obligation of \$2,838.00 for [REDACTED] 2019, and \$3,672.00 for [REDACTED] 2019, and ongoing. The Department did not see a case action notice in the case record notifying Petitioner that she had a deductible obligation for [REDACTED] 2020 of \$2,222.00, as shown in the Eligibility Summary that includes that month. (Exhibit A, p. 8; Department Testimony)

Overall, the evidence presented for this case did not establish that Petitioner was properly advised of her deductible obligation for February 2020. This would affect Petitioner's ability to timely submit verification of medical expenses incurred for that month to meet the actual deductible obligation. Accordingly, the Department's action cannot be upheld and eligibility should be re-determined in accordance with Department policy.

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 determined Petitioner's eligibility for MA.

DECISION AND ORDER

Accordingly, the Department's decision is:

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. Redetermine Petitioner's eligibility for MA retroactive to [REDACTED] 2020, in accordance with Department policy.
2. Issue written notice of the determination in accordance with Department policy.

CL/ml



Colleen Lack
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

Alison Gordon
Barry County DHHS – via electronic mail

BSC3 – via electronic mail

D. Smith – via electronic mail

EQAD – via electronic mail

Petitioner

[REDACTED] – via first class mail
[REDACTED] MI [REDACTED]