



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: March 3, 2021
MOAHR Docket No.: 20-008044
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Ellen McLemore

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 March 1, 2021, from Detroit, Michigan. Petitioner was present and represented herself. The Department of Health and Human Services (Department) was represented by Kristen Gatson, Eligibility Specialist.

ISSUE

Did the Department properly process Petitioner's medical expenses under her Medical Assistance (MA) benefit case in 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. In December 2019, Petitioner was an ongoing MA recipient under the Group 2 SSI-related (G2S) program with a monthly deductible of \$1,272.
2. In December 2019, Petitioner submitted medical expenses (Exhibit A, pp. 11-13).
3. The Department determined Petitioner did not satisfy her deductible in December 2019 and did not activate full-coverage MA for December 2019.
4. On December 23, 2020, Petitioner submitted a request for hearing disputing the Department's decision related to her December 2019 and April 2020 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 was an ongoing MA recipient under the G2S program with a monthly deductible of \$1,272. At the hearing, Petitioner argued that she submitted medical expenses for December 2019 and April 2020 to satisfy her monthly deductible. Petitioner stated that the Department failed to properly process her medical expenses and did not activate full-coverage MA benefits for those two months.

December 2019

In December 2019, Petitioner had an MA deductible of \$1,272 under the G2S program. Petitioner submitted medical expenses in 2019 (Exhibit A, pp. 11-13). The Department testified that Petitioner did not satisfy her deductible in December 2019, as the majority of Petitioner's medical expenses were covered by her Medicare benefits.

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. BEM 545 (October 2018), p. 10. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, p. 11. Except for transportation, the actual charge(s) minus liable third-party resource payments count as an allowable expense. BEM 545, p. 16. Payments made by Medicare are included as third-party resource payments. BEM 545, p. 19. The Department will count allowable expenses incurred in the month in which eligibility is being determined, whether paid or unpaid. BEM 545, p. 16. However, if an expense was reported later than the last day of the third month after it was incurred, it cannot be used in the month it was incurred. BEM 545, p. 11. The expense can only then be used as an old bill, if it meets the qualifications as an old bill. BEM 545, p. 6 and 11. Once the client's medical expenses exceed their excess income (their deductible), the client no longer has liability, meaning they have full-coverage MA benefits for the remainder of the month. BEM 545, pp. 5-6.

The Department presented Petitioner's medical expenses for December 2019. Petitioner had a medical expense incurred on December 17, 2019, in the total amount of \$4,400 (Exhibit A, p. 11). After Medicare adjustments, Petitioner's out of pocket cost was \$262.85. Petitioner had a medical expense incurred on December 17, 2019, in the total amount of \$710 (Exhibit A, p. 12). After Medicare adjustments, Petitioner's out of pocket cost was \$45.25. Petitioner had a medical expense incurred on December 12, 2019, in the amount of \$895 (Exhibit A, p. 13). After Medicare adjustments, Petitioner's out of pocket cost was \$30.57.

As stated above, policy dictates that the Department will only count medical expenses minus third-party resource payments. Petitioner's out of pocket cost after the Medicare adjustments did not meet her deductible for December 2019. Therefore, the Department acted in accordance with policy when it processed Petitioner's December 2019 medical expenses and did not activate full-coverage MA for Petitioner in December 2019.

April 2020

Petitioner submitted her hearing request, in part, to dispute the Department's failure to process her April 2020 medical expenses. However, Petitioner did not have active MA benefits in April 2020 (Exhibit A, pp. 14-15). On March 16, 2020, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) informing her that her MA benefit case was closing effective February 1, 2020, due to a verification issue (Exhibit A, pp. 5-8). Petitioner requested a hearing, and the matter was addressed by the Michigan Office of Administrative Hearings and Rules (MOAHR). A Hearing Decision was issued by MOAHR on July 14, 2020, affirming the Department's decision to close Petitioner's MA benefit case (MOAHR docket number 20-003839).

MOAHR may grant a hearing about any of the following: (i) denial of an application and/or supplemental payments; (ii) reduction in the amount of program benefits or service; (iii) suspension or termination of program benefits or service; (iv) restrictions under which benefits or services are provided; (v) delay of any action beyond standards of promptness; or (vi) for FAP only, the current level of benefits or denial of expedited service. BAM 600, p. 5.

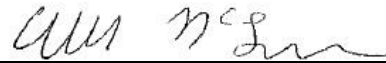
Petitioner did not have active MA benefits in April 2020 and the verification issue that caused the closure of her MA benefit case has already been addressed by MOAHR. Therefore, Petitioner does not have a valid hearing request related to her April 2020 MA benefits.

DECISION AND ORDER

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 medical expenses

under her MA program in December 2019. Accordingly, the Department's decision is **AFFIRMED**.

EM/jem



Ellen McLemore
Administrative Law Judge
for Elizabeth Hertel, 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-15-Greydale-Hearings
BSC4-HearingDecisions
C. George
EQADhearings
MOAHR

Petitioner – Via First-Class Mail:

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