



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], MI [REDACTED]

Date Mailed: April 29, 2021  
MOAHR Docket No.: 21-000988  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Aaron McClintic

### **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 30, 2021, from Lansing, Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by Sunshine Simonson. Department Exhibit 1, pp. 1-44 was received and admitted.

### **ISSUE**

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

### **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 November 22, 2020, Petitioner submitted medical bills for July 2020 and August 2020.
2. On December 1, 2020, a Health Care Coverage Determination Notice was sent to Petitioner informing her that she was eligible for MA for August 2020 because she met her deductible.
3. On February 23, 2020, Petitioner requested a hearing questioning why she was not found eligible for July 2020.
4. Petitioner was informed that the July 2020 bills were not received within 90 days and therefore could not be processed.
5. Petitioner received her July 2020 medical bill in November 2020.

## 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.

### **Meeting a Deductible**

Meeting a deductible means reporting and verifying allowable medical expenses (defined in "EXHIBIT I) that equal or exceed the deductible amount for the calendar month tested. Use the NON-L/H PAST AND PROCESSING MONTHS section for non-L/H months and the L/H PAST AND PROCESSING MONTHS section for L/H months to determine both:

- The order in which to deduct expenses.
- When to identify a group's liability.

IDENTIFYING A GROUP'S LIABILITY explains how to determine the group's share of its expense(s) on the first day of MA coverage.

**Example:** The client incurs a medical expense in January 2016. The expense was **reported**, and verification turned in to DHHS in August 2016.

- As the expense was reported later than the last day of the third month (April 30, 2016) after the expense, it cannot be used for January 2016.

- The expense can be used as an old bill.

- When eligibility determination is done in August 2016 the old bill (Jan 2016 expense) can be used for May 2016, June 2016, July 2016, August 2016, or future months. To allow the client to choose the most advantageous month(s) in which they want to use the old bill, enter the "Apply to Deductible Determination From/To Dates" Most Advantageous does not mean they can turn in an expense at any time and eligibility can be determined for the month the expense was incurred. If the client had **reported** the January 2016 expense between January 1 and April 30th, 2016, but had not verified, then the expense can be used for the January 2016 expense when the verifications are received. It is important for the specialist to **document** when the client reports an expense even if the client does not yet have the bill to verify the expense. The expense does not need to be verified before using as an expense.

**Example:** The client applies for Health Care Coverage in January 2016. Determination of eligibility is not completed until August 2016 and results in the determination of a deductible

case for January 2016 ongoing. The client has until the last day of the third month (that is November 2016) following the notification that they client has a deductible case (notice sent August 2016) to report the expense.

**Remember:** to use an old bill the group/individual's current liability for the expense must be verified by the specialist. BEM 545


In this case, Petitioner submitted medical bills she incurred on July 23, 2020, on November 22, 2020. The Department did not find eligibility for July 2020 because the July 23, 2020, medical expenses were not reported or verified prior to the end of the 3<sup>rd</sup> calendar month following the expense which was October 31, 2020. Petitioner did not receive a bill until November 5, 2020. Department policy requires that recipients report the expense prior to the end of the third month to use it to meet the deductible in the month the bill was incurred. Petitioner could have reported the July 23, 2020, expense prior to October 31, 2020, even though she had not received a bill yet. Petitioner would have then been given an opportunity to subsequently verify the expense when a bill was sent to her. The Department processed the bills Petitioner submitted on November 22, 2020, in accordance with Department policy, therefore the Department action was proper and correct. BEM 545

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 deductible and determined Petitioner's MA eligibility.

### **DECISION AND ORDER**

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

AM/nr

  
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Aaron McClintic  
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

**DHHS**

Tara Roland 82-17  
8655 Greenfield  
Detroit, MI  
48228

Wayne 17 County DHHS- via electronic  
mail

BSC4- via electronic mail

C. George- via electronic mail

EQAD- via electronic mail

**Petitioner**

██████████ - via first class mail  
██████████  
██████████, MI  
██████████