



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR



Date Mailed: October 20, 2021  
MOAHR Docket No.: 21-003746  
Agency No.: 0  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Corey Arendt**

**DECISION AND ORDER**

This case is before the Michigan Office of Administrative Hearings and Rules (MOAHR) pursuant to the provisions of MCL 330.1834 and Chapter 4 of the Administrative Procedures Act of 1969, as amended, MCL 24.271 *et seq.*

After due notice, a hearing was held on October 19, 2021. Petitioner appeared on his own behalf. Jeannine Cate, Reimbursement Supervisor, appeared on behalf of Walter Ruether Psychiatric Hospital (Department). Tina Green, Department Technician, appeared as a witness for the Department.

Exhibits:

Petitioner	None
Department	A – Hearing Summary

**ISSUE**

Did the Department properly determine Petitioner’s ability to pay for inpatient services?

**FINDINGS OF FACT**

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

1. On March 24, 2021, Petitioner agreed to allow Department to determine cost of care payments. (Exhibit A, p 2; Testimony.)
2. On June 11, 2021, Petitioner’s patient pay determination was completed and reflected Petitioner as having a monthly patient pay amount of \$ [REDACTED]. (Exhibit A, p 38; Testimony.)
3. On or around June 11, 2021, the Department provided Petitioner with a copy of the determination. (Exhibit A, p 38; Testimony.)

4. The Department's determination concluded the Petitioner would receive approximately \$ [REDACTED] a year in income from participating in the work therapy program. Based on this calculation and after protecting \$ [REDACTED] a year in accordance with policy, the Department calculated a yearly pay amount of \$ [REDACTED]. (Exhibit A, pp 38-39, Testimony.)
5. On or around August 17, 2021, the Michigan Office of Administrative Hearings and Rules (MOAHR), received from Petitioner, a request for hearing.

### **CONCLUSIONS OF LAW**

Section 802 of the Michigan Mental Health Code, being MCL 330.1802; establishes financial liability for mental health services provided by the Michigan Department of Health and Human Services. Section 804 states:

(1) A responsible party is financially liable for the cost of services provided to the individual directly or by contract with the department or a community mental health services program.

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The Department established that the Petitioner is a "responsible party" and that he received inpatient psychiatric services provided by the Department for which he is financially liable.

The Department is mandated by state law to determine the Petitioner's ability to pay:

(1) The department or a community mental health services program shall determine an adult responsible party's ability to pay for residential services and inpatient services other than psychiatric inpatient services of less than 61 days by taking into consideration the adult responsible party's total financial circumstances, including, but not limited to, income, expenses, number and condition of dependents, assets, and liabilities.<sup>1</sup>

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Section 822 of the Michigan Mental Health Code, being MCL 330.1822 requires all responsible parties to make:

... available to the Department or Community Mental Health Services Program any relevant financial information that the

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<sup>1</sup> MCL 330.1819.

department or community mental health services program is not prohibited by law from seeking and obtaining, and that the Department or Community Mental Health Services Program deems essential for the purpose of determining ability to pay. Willful failure to provide the relevant financial information may result in a determination of ability to pay up to the full cost of services received by the individual.

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APF 165 addresses Recipient Labor and provides the following:

7. One-half of any compensation paid to a recipient under this policy is exempt from collection under the Mental Health Code as payment for services rendered.<sup>2</sup>

Walter P. Reuther Psychiatric Hospital Standard Operating Procedures also address the issue of patient pay responsibility amounts for working employees. Specifically, the policies indicate “[a] portion of the wages earned by a patient, not to exceed one half of the total compensation, will go towards payment of the cost of care. The specific amount shall be determined by the Reimbursement Department, based on each patient’s income.<sup>3</sup>

Regarding undue financial burden:

A responsible party’s ability to pay shall not create an undue financial burden that does either of the following:

- (a) Deprives the party and his or her dependents of the necessities described in these rules.
- (b) Deprives the party and his or her dependents of the financial means to maintain or re-establish the individual in a reasonable and appropriate community-based setting.<sup>4</sup>

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Expenses mean the reasonable un-reimbursed expenditures of money, actual and estimated, during a financial year to maintain a standard of living essential for one’s self and his or her dependents. All of the following are considered necessities:

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<sup>2</sup> APF 165 Recipient Labor, October 1, 2015, p 2.

<sup>3</sup> Walter P. Reuther Psychiatric Hospital Standard Operating Procedure 286, issued April 18, 2008, p 2.

<sup>4</sup> Mich Admin Code R 330.8279.

- (i) Food, clothing, and personal necessities.
- (ii) Shelter, including utilities and repairs for the upkeep of a homestead.
- (iii) Employment or business expenses.
- (iv) Medical services.
- (v) Taxes.
- (vi) Elementary, secondary, and postsecondary education.
- (vii) Repayment of personal financial obligations contractually established before an application was made for services, including such outstanding debt as lease payments, credit card obligations, and other educational or training expenses.
- (viii) Payments made under a divorce decree or court order.
- (ix) Transportation to maintain employment and necessary family activities.<sup>5</sup>

The Department presented evidence that they conducted ability to pay determination for Petitioner. The Department's witness officer considered Petitioner's "protected" income, assets, protected assets, and liabilities when determining annual ability to pay.

Petitioner argued that the percentage taken was higher than what should be allowed and that it didn't take into consideration lost work time. Petitioner however, failed to show evidence to support his arguments or provide any policy that indicated the Department could not prospectively determine patient pay responsibilities.

Based on the evidence presented, the Department provided sufficient evidence to establish that it properly determined Petitioner's ability to pay for inpatient services. As such, Petitioner did not provide by a preponderance of evidence that the Department failed to properly determine his ability to pay.

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<sup>5</sup> Mich Admin Code R 330.8005(c).

**DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department properly determined Petitioner's ability to pay for inpatient services.

**IT IS THEREFORE ORDERED** that:

The Department's decision is AFFIRMED.

CA/dh

  
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**Corey Arendt**  
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 30763  
Lansing, Michigan 48909-8139

**Community Health Rep**

Jeannine Cate  
Walter Reuther Psychiatric Hospital  
30901 Palmer Rd.  
Westland, MI 48186

**DHHS -Dept Contact**

Nick Norcross  
Lewis Cass Building, 6th Floor  
Lansing, MI 48919

**Petitioner**

[REDACTED]  
MI [REDACTED]