



GRETCHEN WHITMER  
GOVERNOR

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

MARLON I. BROWN, DPA  
ACTING DIRECTOR

[REDACTED]  
MI [REDACTED]

Date Mailed: January 19, 2024  
MOAHR Docket No.: 23-008831  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Robert J. Meade**

### **DECISION AND ORDER**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 42 CFR 431.200 *et seq.*, upon Petitioner's request for a hearing.

After due notice, a telephone hearing was held on January 18, 2024. Petitioner, [REDACTED] appeared and testified on her own behalf. John Lambert, Appeals Review Officer, appeared on behalf of Respondent, Michigan Department of Health and Human Services (Respondent, MDHHS or Department). Robbin Hopkins, Adult Services Worker, appeared as a witness for the Department.

At the commencement of the hearing, Respondent asked that this matter be dismissed because the request for hearing (received December 28, 2023) was received more than 90 days after the first notice of overpayment was sent to Petitioner on May 1, 2023. However, the May 1, 2023 notice did not include any information about Petitioner's right to appeal the decision.<sup>1</sup> Further, Petitioner testified that she immediately contacted the Department via telephone after receiving the notice and was not told about the right to appeal until more recently. Given the above, Respondent's motion for dismissal was denied and the hearing continued.

### **ISSUE**

Did the Department properly pursue recoupment against Petitioner for an overpayment of Home Help Services (HHS) for periods when she was in a hospital?

### **FINDINGS OF FACT**

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

1. Petitioner began receiving HHS on or about June 9, 2014. (Exhibit A, p 10; Testimony).

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<sup>1</sup> Upon information and belief, future Collection Notices sent to Petitioner by the Department would have included appeal information, but Respondent did not provide those letters in evidence.

2. On February 23, 2023 and March 9, 2023, Petitioner and her provider were paid via a dual-party check for the full months of HHS in January and February 2023. (Exhibit A, pp 13-15)
3. At some point after March 9, 2023, the Department received notification from ██████████ Hospital – ██████████ that Petitioner was hospitalized between ██████████ 2023 and ██████████ 2023 and the hospital was paid by Medicaid for Petitioner's care. (Exhibit A, pp 21-22; Testimony)
4. The Department determined that an overpayment of ██████████ occurred because Petitioner and her provider were paid for HHS on dates when the hospital was being paid for Petitioner's care by Medicaid. Per policy, the Department did not seek to recoup HHS for the date Petitioner was admitted to the hospital and the date she was discharged from the hospital. (Exhibit A, p 19; Testimony)
5. On May 1, 2023, the Department sent Petitioner an overpayment letter seeking to recoup ██████████ for the period Petitioner was hospitalized in ██████████ and ██████████ 2023. (Exhibit A, p 19; Testimony)
6. On December 28, 2023, Petitioner's hearing request was received by the Michigan Office of Administrative Hearings and Rules.<sup>2</sup> (Exhibit A, pp 8-9)

### **CONCLUSIONS OF LAW**

The Medical Assistance Program is established pursuant to Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). It is administered in accordance with state statute, the Social Welfare Act, the Administrative Code, and the State Plan under Title XIX of the Social Security Act Medical Assistance Program.

Home Help Services (HHS) are provided to enable functionally limited individuals to live independently and receive care in the least restrictive, preferred settings. These activities must be certified by a health professional and may be provided by individuals or by private or public agencies.

Adult Services Manual (ASM) 101, 04-01-2018, addresses the issue of covered HHS services:

#### **Payment Services Home Help**

Home help services are non-specialized personal care service activities provided under the independent living services program to persons who meet eligibility requirements.

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<sup>2</sup> See above regarding the timeliness of Petitioner's appeal.

Home help services are provided to enable individuals with functional limitation(s), resulting from a medical or physical disability or cognitive impairment to live independently and receive care in the least restrictive, preferred settings.

Home help services are defined as those tasks which the department is paying for through Title XIX (Medicaid) funds. These services are furnished to individuals who are **not** currently residing in a hospital, nursing facility, licensed foster care home/home for the aged, intermediate care facility (ICF) for persons with developmental disabilities or institution for mental illness.

### **Services not Covered by Home Help**

Home help services must **not** be approved for the following:

- Supervising, monitoring, reminding, guiding, teaching or encouraging (functional assessment rank 2).
- Services provided for the benefit of others.
- Services for which a responsible relative is **able** and **available** to provide (such as house cleaning, laundry or shopping). A responsible relative is defined as an individual's spouse or a parent of an unmarried child under age 18.
- Services provided by another resource at the same time (for example, hospitalization, MI-Choice Waiver).

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Adult Services Manual (ASM) 135, 05-01-2023, addresses responsibilities of home help providers:

### **CAREGIVER INTERVIEW**

The ASW must complete an initial face-to-face interview with all Home Help caregiver(s). The ASW must make a face-to-face or phone contact with the caregiver(s) at the six-month review to verify receipt of services. If the last review was a phone contact, a face-to-face contact with the caregiver is mandatory for the next review. The ASW must document the contact in MiAIMS by selecting 'face-to-face-provider' as the contact type and indicating that the contact is an SOP contact, under the Contacts module.

The caregiver must present a picture identification (ID) card that includes his/her name for verification. The picture ID may include driver's

license/state ID, passport, or employee ID. Expired IDs are acceptable if the adult services worker can verify identity.

Explain the following points to the client and the caregiver(s) during the initial interview:

- Home Help services are a benefit to the client and earnings to the caregiver.
- The client employs the individual caregiver, not the State of Michigan.
- As the employer, the client has the right to hire and fire the caregiver.
- The caregiver must be enrolled in the Community Health Automated Medicaid Processing System (CHAMPS) and undergo a criminal history screen. The screening must be completed and passed before a provider can be paid to provide Home Help services.
- The caregiver must keep their contact information up to date in CHAMPS; see caregiver address changes in this item.
- Medicaid funds the Home Help program and will not authorize payments if the client's Medicaid eligibility is inactive.
- A caregiver who receives public assistance must report all income received as a Home Help caregiver to their family independence specialist (FIS) or eligibility specialist (ES).
- Do not pay for Home Help services if the caregiver is incarcerated.
- The client and/or individual caregiver is responsible for notifying the ASW within 10-business days of any change; including but not limited to hospitalizations, nursing home, or adult foster care admissions.
- The client and/or individual caregiver is responsible for notifying the ASW within 10-business days of a change in individual caregiver or discontinuation of services. Payments must only be authorized to the individual/agency providing the approved services.
  - Home Help warrants can only be endorsed by the individual(s) listed on the warrant.
  - Home Help warrants are issued only for the individual/agency named on the warrant as the authorized caregiver.
  - If the individual/agency named on the warrant does not provide services or provides services for only a portion of the authorized period, the warrant must be returned.

Note: Failure to comply with any of the above may be considered fraudulent or require recoupment.

- Any payment received for Home Help services not provided must be returned to the State of Michigan.
- Accepting payment for services not rendered is fraudulent and could result in criminal charges.
- The individual caregiver must submit an electronic services verification (ESV) monthly to confirm Home Help services were provided.

Exception: Individual caregivers who are unable to submit a service verification electronically must submit a paper service verification (PSV) form monthly.

- Home Help warrants are issued as dual-party and mailed to the client's address.

Exception: There are circumstances where a single-party warrant to the individual caregiver only is appropriate, for example, the client is physically or cognitively unable to endorse the warrant. Authorizations to Home Help agency providers are payable to the provider only (single-party).

- Report all earned income to the IRS; see [www.irs.gov](http://www.irs.gov).
- No federal, state, or city income taxes are withheld from the warrant.
- Social Security and Medicare tax (FICA) are withheld from individual caregiver Home Help warrants.
- Parents who are caring for an adult child do not have FICA withheld.
- Note: Parents who wish to have FICA withheld must be assigned in MiAIMS as 'other relative' in the provider assignment screen.
- All individual caregivers will receive a W-2. • Agency providers will receive a 1099.
- The client and individual caregiver and/or agency provider must sign the MSA-4676, Home Help Services Agreement, before authorizing payment.

Emphasis added

Adult Services Manual (ASM) 165, 04-01-2022, addresses the issue of recoupment:

## **OVERVIEW**

The Michigan Department of Health and Human Services (MDHHS) is responsible for determining accurate payment for services. When payments are made in an amount greater than allowed under department policy an overpayment occurs. When an overpayment is discovered, corrective actions must be taken to prevent further overpayment and to recoup the overpayment amount.

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## **RECOUPMENT METHODS FOR ADULT SERVICES PROGRAMS**

The MDHHS Medicaid Collections Unit (MCU) is responsible for recoupment of overpayments for the adult services programs. The adult services worker is responsible for notifying the client, individual caregiver, or agency provider in writing of the overpayment.

The adult services worker must not attempt to collect overpayments by withholding a percentage of the overpayment amount from future authorizations or reducing the full amount from a subsequent month.

### **DHS-566, Recoupment Letter for Home Help**

When an overpayment occurs in the Home Help program, the ASW must complete the DHS-566, Recoupment Letter for Home Help, located in the Forms module in MiAIMS.

MiAIMS will generate all necessary information to complete this letter. The ASW must supply the following:

- Determine if the recoupment is solicited from the client, individual caregiver, or agency provider.
- The reason for recoupment.
- Warrant details and service period.
- The exact time period in which the overpayment occurred.
- The amount of the overpayment.

The overpayment amount is determined by totaling the time associated for each of the tasks not provided. The recoupment is based on the gross amount of payment. If FICA was deducted from the original warrant, it

must be deducted from the recoupment. FICA is calculated by multiplying the gross amount of the recoupment by 7.65 percent.

Note: Recoupments for services provided prior to April 1, 2022, should follow the previous recoupment process unless the client or caregiver provided additional information to justify a different calculation for the recoupment. Example: Client receives personal care services two days a week and was home on both days to receive services.

Consider the following points when completing the DHS-566:

- If the overpayment occurs over multiple months and/or multiple warrants, the ASW may complete one DHS-566 to reflect the entire amount to be recouped. MiAIMS allows multiple warrants per recoupment action with a maximum of five warrants per DHS-566.
- Dual-party warrants issued in the Home Help program are viewed as client payments. Any overpayment involving a dualparty warrant must be treated as a client overpayment.

Exception: If the client did not endorse the warrant, recoupment must be from the individual caregiver. This may occur if the client is deceased, hospitalized, nursing home admittance, or incarceration. This list is not inclusive.

- Overpayments must be recouped from the individual caregiver or agency provider for single party warrants.
- When there is a fraud referral, do not send a DHS-566 to the client, individual caregiver, or agency provider; see ASM 166, Fraud-Intentional Program Violation.
- Warrants that have not been cashed are not considered overpayments. These warrants must be returned to Treasury and cancelled.

### **Distribution of the DHS-566**

Upon completion of the DHS-566, Recoupment Letter, in MiAIMS, once print has been selected, a copy of the DHS-566 is electronically forwarded to the MDHHS Medicaid Collections Unit mailbox at MDHHS-Collections-Unit@michigan.gov.

The ASW sends two copies to the individual who owes the money. One copy is for their records and one copy is to return to MDHHS Medicaid Collections Unit along with a check or money order for the overpayment amount.

An electronic version of the DHS-566, Recoupment Letter, is stored in MiAIMS under the Contacts module.

Emphasis added

The Department's witness testified that an overpayment letter was issued to Petitioner after an investigation determined that Petitioner and her provider were paid for HHS while Petitioner was in the hospital. The Department's witness indicated that MDHHS conducts a data run for all HHS recipients and sends the local office a list of individuals who were in the hospital and receiving HHS at the same time. The Department's witness testified that the relevant data run shows an admission date of [REDACTED] 2023 and a discharge date of [REDACTED] 2023 for Petitioner at [REDACTED] Hospital. The Department's witness testified that she reviewed the warrants paid to Petitioner and her provider for [REDACTED] and [REDACTED] 2023 to ensure that the payments were actually received, endorsed and cashed by Petitioner and her provider.

Petitioner testified that she always reports hospitalizations to the Department every time so that they can prevent the provider from certifying care on those days. Petitioner indicated that her provider never lets her see the attachment to the check so she cannot verify the dates the payment is for. The Petitioner testified that in this case she asked the provider why the check was so big, knowing that she had been in the hospital and the provider informed her that the provider got a raise. Petitioner indicated that she was never advised by the Department about dual-party checks and if she was aware she could be liable to pay back funds she never received, she would have been more careful. Petitioner testified that she initially told this provider that she wanted the checks to go to the provider's address, but the provider thought it would be more convenient if the checks went to Petitioner because the provider was often in Petitioner's building.

Petitioner testified that when she received the first overpayment letter in May 2023, she immediately called the Department and showed the letter to her provider. Petitioner indicated that her provider told her that the provider had to pay the overpayment, and she would take care of it. Petitioner tried to get the provider to participate in a three-way phone call with her and the ASW, but the provider then refused. Petitioner testified that she asked the ASW's supervisor why the money couldn't be recouped from the provider and was told that the Department could not do that. Petitioner testified that she is on a fixed income, is very ill, and it is unfair that she must pay back money that she never received.

The above cited policy specifically indicates that HHS cannot be paid when services are "provided by another resource at the same time (for example, hospitalization, MI-Choice Waiver)." Policy also provides that the "provider and/or client is responsible for notifying the adult services specialist within 10 business days if the client is hospitalized." Policy also indicates, "Any payment received for Home Help services not provided must be returned to the State of Michigan; and "Home Help warrants are issued as dual-party and mailed to the client's address." Finally, policy indicates, "Dual-party warrants issued in the Home Help program are viewed as client payments. Any overpayment involving a dualparty warrant must be treated as a client overpayment."

Here, [REDACTED] Hospital notified the Department that Petitioner was hospitalized from [REDACTED] 2023 through [REDACTED] 2023, and HHS payments were issued to Petitioner and her provider for those dates. These check payments were endorsed by both Petitioner and her provider and cashed. As such, the Department was required to recoup HHS payments for those dates per policy. The point of the recoupment is that Medicaid cannot pay two entities at the same time to care for a beneficiary. Here, the hospital was being paid to care for Petitioner from the time she entered the hospital until the time she was discharged.

Petitioner argues that it is unfair that she must repay money that she never received (*i.e.*, the money went to the provider.) While the undersigned does not necessarily disagree with Petitioner's arguments, the policy is clear, and the undersigned has no authority to ignore it. Again, that policy requires the Department to issue dual-party warrants in this type of case and to treat any overpayment as a client overpayment. Unfortunately, Petitioner will have to recoup the money from the provider if she wants to be made whole.

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department properly sought recoupment from Petitioner for Home Help Services totaling [REDACTED]

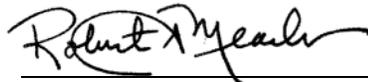
#### **DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department properly pursued recoupment against Petitioner.

**IT IS THEREFORE ORDERED** that:

The Department's decision in seeking recoupment is **AFFIRMED**. The overpayment amount is [REDACTED]

RM/sj



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**Robert J. Meade**  
Administrative Law Judge

**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

**PROOF OF SERVICE**

I certify that I served a copy of the foregoing document upon all parties, to their last known addresses in the manner specified below, this 19<sup>th</sup> day of January 2024.

*S. James*

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S. James  
**Michigan Office of Administrative  
Hearings and Rules**

**Via Electronic Mail:**

**Petitioner**

[REDACTED]  
[REDACTED] MI [REDACTED]  
[REDACTED]

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