

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED]

Claimant

Reg. No: 2008-20265

Issue No: 2026

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

August 11, 2009

Muskegon County DHS

ADMINISTRATIVE LAW JUDGE: Jana A. Bachman

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on August 11, 2009.

ISSUE

Whether the Department of Human Services (department) acted in compliance with department policy when it determined claimant's eligibility for Medical Assistance (MA) benefits?

FINDINGS OF FACT

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

(1) February 8, 2008, the department prepared an MA budget for the month of January 2008. Total income was [REDACTED] earnings from claimant's spouse and [REDACTED] earnings for claimant. A standard [REDACTED] deduction was taken for each adult's income leaving

countable MA income of [REDACTED] for claimant's spouse and [REDACTED] for claimant. Through a standard formula, income was allocated to other household members. After all allowable deductions were included, claimant had net MA income of [REDACTED]. Standard protected income level for MA purposes was [REDACTED] leaving a deductible of [REDACTED]. Department A, pages 161-162.

(2) February 15, 2008, the department prepared an MA budget for February 2008. Total income was [REDACTED] consisting of claimant's spouse's earnings. A standard [REDACTED] disregard was taken leaving countable MA income of [REDACTED]. Through a standard formula, income was allocated to other family members. After all allowable deductions were included, countable net MA income was [REDACTED]. Standard protected income level for MA purposes was [REDACTED], leaving a deductible of [REDACTED]. Department A, pages 158-159.

(3) April 24, 2008, the department prepared a budget for the month of March 2008. Total income was [REDACTED] consisting of claimant's spouse's earnings. A standard [REDACTED] deduction was taken leaving countable income of [REDACTED]. Through a standard formula, income was allocated to other household members. After all allowable deductions were included, claimant's countable income for MA purposes was [REDACTED]. Standard protected income level for MA purposes was [REDACTED] leaving a deductible of [REDACTED]. Department A, pages 67-68.

(2) April 21, 2008, the department prepared an MA budget for the month of April. Total countable income was [REDACTED], consisting of claimant's spouse's earnings. A standard [REDACTED] deduction was taken leaving net income of [REDACTED]. Through a standard formula, income was allocated to other family members. After all allowable deductions were included, claimant's countable income for MA purposes was [REDACTED]. Standard protected income level

for MA purposes was [REDACTED] leaving deductible of [REDACTED]. Department Exhibit A, pages 34-35.

### CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Department manuals provide the following policy statements and instructions for caseworkers:

When determining eligibility for MA, the household's total income must be evaluated. All earned and unearned income of each household member must be included unless specifically excluded. Income from earnings is not excluded and must be counted when determining MA eligibility. In this case, the MA program provides for a standard deduction from earnings of \$90.00. A deduction may be taken for the cost of childcare when necessary for a household member to work. A deduction is permitted for guardianship or conservatorship fees. When a group member has dependents, a percentage of income may be allocated to the dependents. Program Eligibility Manual (PEM) 500, 536.

Federal regulations at 42 CFR 435.811, .814, .831(C)(I), and .1007 provide standards for MA eligibility. The department, in compliance with these regulations, has prepared income tables that are set forth at Reference Table (RFT) 240 and specify the amount of income a household may have to qualify for MA. These maximum income limits are referred to as the

protected income levels. MA policy provides for additions to the protected income level. An addition is allowed if the individual or household pays health insurance premiums. An addition may also be made for the cost of remedial services. PEM 544.

Monthly deductible is a process by which a person or household with excess income may qualify for MA coverage. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the monthly deductible amount for the calendar month being tested. The group must report expenses by the last day of the third month following the month it wants MA coverage. Medical expenses may be allowed when: (a) the expenses are incurred by an MA group member; AND (b) the MA individual or household is responsible for payment, AND (c) when they have not previously been used to meet a monthly deductible. The bills may be old or new expenses. PEM 545.

In this case, the Administrative Law Judge has examined the record and the department policy and finds that the department correctly calculated claimant's countable income and protected income level. The department used claimant's tax statements and actual expense receipts and records to determine each month's income. All allowable deductions were included. Finding of Fact 1-4. The standard protected income level for county 41 (Kent) is \$516 as stated on the budgets. The standard protected income level for county 64 (Oceana) is \$466.00 as stated on the budget. Finding of Fact 1-4; RFT 240. Accordingly, the department has met its burden of proof and its action must be upheld.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services acted in compliance with department policy when it determined claimant's eligibility for Medical Assistance benefits.

Accordingly, the department's action is HEREBY UPHELD.

/s/

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Jana A. Bachman  
Administrative Law Judge  
for Ismael Ahmad, Director  
Department of Human Services

Date Signed: September 2, 2009

Date Mailed: September 3, 2009

**NOTICE:** Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

JAB/db

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