

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: 2008-24960

Issue No: 2014

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

July 8, 2009

Macomb County DHS

ADMINISTRATIVE LAW JUDGE: Robert J. Chavez

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 hearing was held on July 8, 2009.

ISSUE

Was the claimant's Medicaid budget computed correctly?

FINDINGS OF FACT

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

- (1) Claimant had applied for Medicaid on 2-22-08.
- (2) Claimant's listed a self-employment income of \$4,000.
- (3) This was gross income from a business before expenses, and claimant did not submit the actual income from the family group.

- (4) This resulted in excess income for the purposes of Healthy Kids Medicaid.
- (5) The budget was run using the wrong group size.
- (6) Claimant requested a hearing on 5-22-08, arguing that the Department had used the wrong numbers in calculating her Medicaid Budget.

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) and Reference Tables (RFT).

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. The Department must take claimant's verified income, and following the formulas proscribed in the Program Eligibility Manual, make a determination as to whether the claimant is eligible for the Medicaid Program.

In the current case, the Department admits that the budget it used to determine eligibility was based on an incorrect group size of three. Claimant's actual group size is four. Furthermore, claimant testified at hearing that she was unaware that she could submit expenses with regard to self-employment income and only gave the Department the gross income from the business, not the actual total income to the family. The Department did not dispute that the income numbers were incorrect.

Because of these facts, the Administrative Law Judge must conclude that the budget as it stands was based upon faulty numbers and does not reflect the actual situation. Because the numbers were incorrect, the Department should re-run the budget using the correct numbers.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department's decision to deny claimant's Medicaid application using the budget provided was incorrect.

Accordingly, the Department's decision is REVERSED.

The Department is ORDERED to request proper income verifications from the claimant. The claimant is ORDERED to provide proper income verifications to the Department, within the time limits proscribed in the Program Administrative Manual, upon receipt of the Department's request. Upon receipt of these verifications, the Department is further ORDERED to run a corrected budget, using a correct group size and proper income amount as indicated by the claimant's supplied income verifications. If Medicaid can be awarded to the claimant, based upon the corrected budget and other factors not at issue in the case, it shall be awarded consistent with claimant's protected application date. Should claimant be unsatisfied with the new budget, claimant reserves the right to request a hearing on the new budget.

_____/s/_____
Robert J. Chavez
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: September 1, 2009

Date Mailed: September 2, 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.

2008-24960/RJC

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing 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.

RJC/cv

cc:

