

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: 2008-25279

Issue No: 2014

Case No. [REDACTED]

Load No: [REDACTED]

Hearing Date:

May 13, 2009

Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Tyra L. Wright

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 May 13, 2009. Claimant appeared and personally testified. An eligibility specialist represented the Department.

ISSUE

Did the Department improperly determine to change Claimant's Medical Assistance (MA) case to a spend-down/deductible status after her annual review?

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 is a recipient of MA benefits.
- (2) On May 21, 2008, the Department sent Claimant a verification checklist seeking disclosure of any unearned income, employment, medical expenses and other

information because the case was due for an annual review in June 2008. (Exhibit 2).

- (3) On June 9, 2008, Claimant participated in an annual interview. Claimant's monthly RSDI income was \$1,264. (Exhibit 4).
- (4) On June 23, 2008, the Department sent Claimant a negation action notice stating that her case status would change to a spend-down/deductible, effective July 2008. (Exhibit 1).
- (5) Claimant disagreed with the Department determination on the grounds that her spend-down/deductible is too high. Claimant asserted that \$772 is more than half of her income and, therefore, "just does not seem rational."
- (6) Claimant requested a hearing on July 3, 2008.

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 (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, et seq., and MCL 400.105. Department policies for FAP and MA are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

DEPARTMENT POLICY

All Programs

This item discusses income for:

- Family Independence Program (FIP).
- State Disability Assistance (SDA).
- Refugee Assistance Program (RAP) which if policy differs is divided into:
 - Refugee Assistance Program Cash (RAPC).
 - Refugee Assistance Program Medical (RAPM).

- Child Development and Care (CDC).

Note: Applies to all CDC Income Eligible groups.

- Medicaid (MA) which, if policy differs, is divided into:
 - FIP-related MA.
 - SSI-related MA.
 - Specific MA categories.
- Adult Medical Program (AMP).
- TMA-Plus (TMAP).
- Food Assistance Program (FAP).

The phrase “All Programs” in this item means all the programs listed above.

The group composition and program budgeting items specify whose income to count. The program budgeting items also contain program specific income deductions and disregards.

Income means benefits or payments received by an individual which is measured in money. It includes money an individual owns even if NOT paid directly such as income paid to a representative.

Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit. Unearned income means all income that is NOT earned income. The item specifies whether the income is earned or unearned.

The amount of income counted may be more than the amount a person actually receives because it is the amount before any deductions including deductions for taxes and garnishments. The amount before any deductions is called the **gross** amount.

Exception: The amount of self-employment income before any deductions is called **total proceeds**. The **gross** amount of self-employment income means the amount after deducting allowable expenses from total proceeds, but before any other deductions.

Income remaining after applying the policy in this item is called **countable**.

Count all income that is NOT specifically excluded. (PEM 500 p. 1-2)

Under PEM 500, RSDI income is countable income for determining MA eligibility. In this case, the Department calculated Claimant’s MA budget for July 2008 and based on an income of \$1264. Claimant does not dispute the accuracy of her income

on this budget. Although, Claimant has a variety of health issues and incurs significant medical expenses, and argues that the spend-down is too high, the Department used accurate income information to compute the MA budget. The evidence at this hearing did not establish that the Department erred changing Claimant MA case to a \$772 spend-down/deductible status as of July 2008.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department properly applied a \$772 spend-down/deductible status to Claimant's MA case, effective July 2008.

Accordingly, the Department's decision is AFFIRMED.

/s/ _____
Tyra L. Wright
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 05/18/09

Date Mailed: 05/19/09

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 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.

TW/dj

2008-25279/TW

cc:

