

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: 2008-27242
Issue No: 2017; 2026
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
August 25, 2009
Eaton County DHS

ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie

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 Tuesday, August 25, 2009. The claimant personally appeared and testified on his own behalf.

ISSUE

Did the department properly place the claimant's Medical Assistance (MA) case in spend-down status and determine his monthly deductible?

FINDINGS OF FACT

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

- (1) The claimant received MA benefits.
- (2) On July 22, 2008, the claimant called his DHS caseworker and asked her to rerun the budget to see if he could work and still get MA.

(3) Subsequently, the DHS caseworker reran the budget with the claimant's proposed earned income and determined that the claimant's Medicare premium was being paid by the State, which resulted in the claimant being only eligible for a spend-down.

(4) On July 24, 2008, the DHS caseworker transferred the claimant's case to spend-down status to be effective August 5, 2008.

(5) On July 31, 2008, the claimant filed a request for a hearing.

(6) On August 1, 2008, the DHS caseworker deleted the negative action pending a hearing.

(7) During the hearing, the claimant stated that he never worked and had earned income.

(8) During the hearing, the DHS caseworker reran the budget to determine that the claimant was still eligible to have his Medicare premium paid by the State and since the claimant asked for a timely hearing request and the negative action was deleted pending the hearing, the claimant did not incur the cost of paying his Medicare premium while he was waiting for the hearing.

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).

The department manuals provide the following relevant policy statements and instructions for caseworkers:

MA GROUP 2 INCOME ELIGIBILITY

Deductible

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred.

Active Deductible

Open an MA case **without ongoing Group 2 MA coverage** on CIMS as long as:

- . The fiscal group has excess income, **and**
- . At least one fiscal group member meets all other Group 2 MA eligibility factors.

Such cases are called active deductible cases. Periods of MA coverage are added on CIMS each time the group meets it deductible.

Deductible Period

Each calendar month is a separate spend-down period.

Deductible Amount

The fiscal group's monthly excess income is called a deductible amount. PEM 545, pp. 8-9.

Meeting a Deductible

Meeting a deductible means reporting and verifying allowable medical expenses (defined in "EXHIBIT I") that equal or exceed the deductible amount for the calendar month tested. PEM, Item 545, p. 9.

The group must report expenses by the last day of the third month following the month for which it wants MA coverage. PAM 130 explains verification and timeliness standards. PEM, Item 545, p. 9.

In this case, the claimant was eligible for MA and the State was paying his Medicare premium, which is Part B of \$96. On July 22, 2008, the claimant called his DHS caseworker to ask her to rerun the budget to see if he could work and still get MA.

The DHS caseworker ran a sample budget which became the actual budget and the claimant became eligible for a spend-down and also that he would have to pay his Medicare premium of \$96 per month.

The claimant asked for a timely hearing request on July 31, 2008, which resulted in the negative action being deleted pending the hearing.

During the hearing, the department caseworker determined that the previous worker's sample budget became the actual budget. The claimant was still eligible to have his Medicare premium paid by the State. Therefore, the claimant's Medicare premium will still be paid by the State and is eligible for MA because he did have earned income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department has properly corrected their action and the claimant still qualifies to have his Medicare Premium Part B of \$96 paid by the State and is still eligible for MA.

Accordingly, the department's corrected action is **AFFIRMED**.

/s/ _____
Carmen G. Fahie
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: October 30, 2009

Date Mailed: October 30, 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 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.

CGF/vmc

cc:

