

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: 2008-20606

Issue No: 2026

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

March 24, 2009

Genesee County DHS

ADMINISTRATIVE LAW JUDGE: Ivona Rairigh

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 March 24, 2009. Claimant personally appeared and testified.

ISSUE

Did the department correctly determine in August, 2007 that the claimant had excess income for Medicaid (MA) program, resulting in an MA deductible for her and her spouse?

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 was an MA recipient when her case came due for a yearly redetermination.
2. On August 9, 2007, department computed an MA budget counting the employment income of claimant's husband. This budget resulted in a finding that claimant's two

children were still eligible for MA under Healthy Kids program, but that the claimant and her husband had excess income for MA.

3. On August 9, 2007, department mailed the claimant a notice telling her that she had excess income for MA and that she will now have a MA deductible in the monthly amount of [REDACTED] for herself and her husband.

4. Claimant requested a hearing on August 17, 2007, as that is the date that the hearing requested was date-stamped at McRee Mail Room, Genesee Counties District Office. However, the hearing request was not processed until May, 2008 as it was assumed that the claimant did not request the hearing until May 6, 2008, due to unknown reasons.

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 found the claimant and her husband had excess income for ongoing MA coverage in August, 2007. Therefore, department's budget prepared for this month was reviewed in the hearing. Claimant states her husband's income used for this budget is correct, but that her husband received almost the same income before August, 2007 without the couple having excess income for MA. Department's representative checked the claimant's case record and testified that the claimant's husband earned almost a dollar per hour less when the previous

review budget in year 2006 was computed. This difference in income accounts for the finding in excess income in August, 2007, whereas before there was none.

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA). PEM 105.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- . There is no excess income, **or**
- . Allowable medical expenses equal or exceed the excess income (under the Deductible Guidelines). PEM 545.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. PEM 105. Income eligibility exists when net income does **not** exceed the Group 2 needs in PEM 544. PEM 166. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. PRT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. PEM 544. An eligible Medical Assistance group (Group 2 MA) has income the same as or less than the “protected income level” as set forth in the policy contained in the Program Reference Table (PRT). An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However, a MA group may become eligible for assistance under the deductible program. The deductible program is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group’s monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the

calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. PEM 545; 42 CFR 435.831.

This Administrative Law Judge explained to the claimant what MA deductible means and that she only has to prove to the department that she has **incurred** medical expenses that exceed her deductible in order to become eligible for MA coverage during a particular month. Claimant states that she has no other issues and now understands department's MA determination.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department correctly determined in August, 2007 that the claimant had excess income for MA, resulting in an MA deductible case for herself and her spouse.

Accordingly, department's action is AFFIRMED, and it is SO ORDERED.

/s/ _____
Ivona Rairigh
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: March 25, 2009

Date Mailed: March 26, 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.

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cc:

[REDACTED]