

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: 2009-16501  
Issue No: 2026  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
September 16, 2009  
Ingham 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 September 16, 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) During December 2008, claimant was a recipient of MA benefits. Claimant's Social Security benefits changed.

(2) December 17, 2008, the department prepared an MA budget. Total countable income was [REDACTED] consisting of claimant's monthly social security benefits. A standard [REDACTED] was deducted from the income leaving net income of [REDACTED]. The protected income level for a household of 1 is [REDACTED]. Claimant had health insurance premiums of [REDACTED] that were added to the protected income level making total needs for MA purposes of [REDACTED]. Net MA income of [REDACTED] less total needs of [REDACTED] leaves a monthly deductible of [REDACTED].  
Department Exhibit A.

(3) December 17, 2008, the department sent claimant a notice that the monthly medical deductible would be [REDACTED] due to a decrease in the allowable income limit.  
Department A, page 5-6.

#### 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. Social Security benefits are not excluded and must be counted when determining MA eligibility. The MA program provides for a standard \$20.00 deduction from unearned income.

██████████ of earned income is deducted. A deduction may be included for expenses that enable an impaired or blind person to work and for guardianship or conservatorship fees. An allocation from income may be made to non-SSI children living with the household. BEM 500, 541.

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. BEM 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. BEM 545.

Claimant's former husband asserted at the hearing that claimant was not informed of the change in the need standard and the "state" created claimant's deductible by changing the need standard. Claimant was informed of the reason for her monthly deductible via timely written notice. Finding of Fact 3. The department establishes policies and procedures that are compliant with federal and state statutory and regulatory requirements. These changes may or may not

have effect on a recipient's benefits. The department must apply current policy to claimant's circumstances when determining eligibility. Finding of Fact 2.

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, protected income level, and monthly deductible. 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/ \_\_\_\_\_  
Jana A. Bachman  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: September 24, 2009

Date Mailed: September 29, 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.

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JAB/db

cc:

