

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: 2009-19648

Issue No: 2026

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

June 11, 2009

Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Jeanne M. VanderHeide

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing on April 21, 2009. After due notice, a telephone hearing was conducted from Detroit, Michigan on June 11, 2009. The Claimant was present and was represented by her attorney, [REDACTED]. [REDACTED] was also present. Delores McGargal, FIM, Raven Florence, Assistance Payment Worker, and Arthur Foreman, OIG Agent appeared for the Department.

ISSUE

Whether the Department properly determined the Claimant's MA deductible amount was not met for the months of January, February, and March of 2009.

FINDINGS OF FACT

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

1. Claimant and her husband were MA recipients with a \$221.00/month deductible.

2. Claimant dropped off December receipts and qualified for Medicaid in December of 2008.
3. Claimant's husband testified that he also dropped off documents in January, February and March and Medicaid was not applied.
4. The Department indicated that Claimant did not drop off proof of costs incurred over the deductible amount.
5. Claimant requested a hearing on 4/21/09 contesting the department's determination that Claimant did not meet the deductible amount for January through March 2009.
6. The record was left open to allow Claimant to submit additional medical documentation of costs incurred. (Exhibit 2)
7. Claimant submitted a doctor's note regarding Claimant's husband medical conditions and a list of prescription medications. (Exhibit 1).
8. The Claimant's cost of prescription medications from [REDACTED] was \$33.00. (Exhibit A).

#### 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, formally known as the Family Independence Agency, 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 goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. PEM 105, p. 1. Medicaid is also known as Medical Assistance (“MA”). *Id.* The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. *Id.* Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program thus are categorized as either FIP related or SSI related. *Id.* To receive MA under an SSI related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive MA under FIP related categories. *Id.*

There are various SSI related categories under which one can qualify for MA benefits. PEM 150-174. The MA regulations also divide MA recipients into Group 1 and Group 2 which relate to financial eligibility factors. Financial eligibility for Group 1 exists when countable income minus allowable expenses equals or is below certain income limits. PEM 105, p. 1. The income limits vary by category and are for non-medical needs such as food and shelter. *Id.* Medical expenses are not used when determining eligibility for FIP and SSI related Group 1 categories. *Id.* For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 categories. *Id.*

To determine whether an individual is eligible for Group 1 or Group 2 MA, the individual’s protected income level (PPI) must be determined. The PPI is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. PEM 544. If fiscal

group has net income that is the same or less than the PPI, RFT 240, then it will qualify for MA. If the net income is over the PPI, then the fiscal group may become eligible for assistance under the deductible program. A deductible 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 CRF 435.831.

In the present case, the only evidence showing incurred medical costs is Exhibit A which reveals that the prescription amount paid by Claimant over three months was \$33.00. The actual cost of the prescriptions is much greater, but the majority of that cost was paid by Claimant's insurer. Unless the cost is assessed to Claimant, Claimant does not incur the cost. While Claimant may have additional medical problems (as shown by the doctor note provided), proof of incurred medical expenses was not provided to the undersigned or presented to the Department. Accordingly, the Administrative Law Judge finds that Claimant did not meet his deductible amount for the months of January, February, or March 2009.

Based upon the foregoing facts and relevant law, it is found that the Department's determination is AFFIRMED.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds the Department acted in accordance with department policy when it denied MA

benefits for the months of January through March 2009 because Claimant did not meet the deductible amount.

Accordingly, it is ordered that the Department's determination is AFFIRMED.

/s/  
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Jeanne M. VanderHeide  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: 08/06/09

Date Mailed: 08/06/09

**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.

JV/dj

cc:

[REDACTED]