

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: 2009-24525
Issue No: 2006
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
January 27, 2010
St. Joseph County DHS

ADMINISTRATIVE LAW JUDGE: Jay W. Sexton

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 January 27, 2010 in Centerville. Claimant personally appeared and testified under oath.

The department was represented by Shelia Beaty (FIM) and Susan Dischell (ES).

The Administrative Law Judge appeared by telephone from Lansing.

ISSUE

Did the department correctly compute claimant's MA-P deductible/spend-down effective January 30, 2009?

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 an MA-P recipient with a monthly deductible/spend-down of \$570.

(2) In January 2009, claimant's case was selected for an eligibility review.

(3) Claimant timely provided the caseworker with her current income and expense records.

(4) On January 30, 2009, the caseworker prepared the following MA-P eligibility budgets:

Income (RSDI)	\$965
Less	<u>\$ 20</u>
Net Income	\$945
Less Protected Income	<u>\$375</u>
Excess Income	<u>\$570</u>
MA Deductible	\$570

(5) On January 30, 2009, the caseworker sent claimant a written notice of her new MA-P deductible (\$570).

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).

Michigan provides Medicaid (MA-P) for eligible persons under two broad classifications: Group I is for those persons who are categorically eligible because they received FIP or SSI. Group II is for those persons whose eligibility results from their level of need. These persons are referred to as medically-needy persons. MCL 400.916. PEM Items 500 and 554. See also PAM 130.

Claimant falls under the Group II classification of Medicaid recipients.

The department's policy manual (PEM) provides the following policy for determining claimant's MA-P eligibility.

The deductible/spend-down is a process which allows a client with excess income to be eligible for Group II MA, if sufficient allowable medical expenses are incurred. Open an MA case, without ongoing Group II MA coverage, so long as:

The fiscal group had income.

At least one fiscal group member meets all the other Group II eligibility factors.

Such cases are called Active Spend-down cases. Periods of MA coverage are added on CIS each time the group meets its deductible/spend-down.

Each calendar month is a separate deductible/spend-down period. The fiscal group's monthly excess income is called the deductible spend-down amount. PEM Item 545. Meeting a deductible/spend-down means reporting and verifying allowable medical expenses that exceed or equal the spend-down amount for the calendar month tested. PEM 545, 165, 100.

In order to qualify for Group II MA, a medically needy person must have income which is equal to or less than the prescribed income limit, also known as "medical needs." To determine whether a recipient is eligible for Group II MA only, income available to the fiscal group on a monthly basis may be considered. Both earned and unearned income must be budgeted. Certain deductions are allowed. PEM Items 540 and 554.

Income eligibility exists for MA recipients when the fiscal group has no monthly excess income. For current MA recipients, income eligibility exists on the first day of the month in which monthly excess income for MA purposes is zero.

Persons who have excess income for MA purposes may still qualify for MA, if they have incurred medical expenses. The department will apply current medical expenses to reduce excess income for eligibility purposes. When the medical expenses incurred by the fiscal group are less than the excess income, the ongoing case must be closed, using a spend-down notice (FIA-4400).

The recipient has until the last day of the spend-down to provide the necessary verification that the deductible/spend-down has been met. If the required verification is not provided prior to the expiration of that period (90 days), MA cannot be authorized for any part of the spend-down period. PEM 545.

The preponderance of the evidence in the record establishes that the department correctly budgeted claimant's income and correctly established claimant's MA-P deductible/spend-down at \$570.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department correctly computed claimant's MA-P deductible/spend-down for January, 2009.

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

SO ORDERED.

/s/ _____
Jay W. Sexton
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: March 10, 2010

Date Mailed: March 11, 2010

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.

JWS/tg

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