

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: 2009-25977

Issue No: 2026

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

August 11, 2009

Berrien 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 August 11, 2009. Claimant personally appeared and testified.

ISSUE

Did the department correctly determine that the claimant was no longer eligible for ongoing MA coverage and also correctly compute the amount of Medicaid (MA) deductible for the claimant in April, 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 was an MA recipient when the department received a Semi-Annual Contact Report in April, 2009 for the Food Assistance Program benefits he was also receiving.

2. Household income claimant reported was that of his wife from SSI and employment and his UCB.

3. Department then computed a new MA budget which resulted in a deductible amount for the claimant of \$337 per month. Claimant's children were eligible for ongoing MA coverage on another MA program, and claimant's wife was MA eligible based on her receipt of SSI.

4. Claimant was notified of the MA deductible amount on April 29, 2009 and requested a hearing on May 5, 2009.

#### 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's policy specifies that both earned and unearned income of individuals in MA group composition must be counted when determining MA eligibility. Claimant's household received UCB and employment income, and such income was counted by the department in determining ongoing MA eligibility. Claimant's wife is also an SSI recipient, and this is the only income in claimant's household that is excluded from being counted for group's MA eligibility. BEM 500, 530, 536. Federal government sets the formula department is to use in determining MA eligibility, and this formula specifies how the income of a household is to be computed in determining such eligibility. BEM 544 and 545.

Income amounts used by the department in their MA eligibility computation were discussed with the claimant, and he states they are all correct. Department's MA budget resulted in a deductible for the claimant.

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.

Based on department's documentation provided for the hearing and hearing testimony from department's representative and the claimant, no error can be found in department's determination that the claimant had to be placed on MA deductible due to his household's income. It is noted that the claimant's deductible has decreased to \$240 since he requested this hearing due to income changes in his household. Claimant was advised to report any changes in his income in the future; as if his income decreases it could result in ongoing MA eligibility without a deductible.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department correctly determined that the claimant was no longer eligible for ongoing MA coverage, and also correctly determined the amount of MA deductible for him, in April, 2009.

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: September 2, 2009

Date Mailed: September 9, 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.

IR [REDACTED]

cc: [REDACTED]