

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: 2009-26678

Issue No: 2018

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

November 24, 2009

Ingham County DHS

ADMINISTRATIVE LAW JUDGE: Marlene B. Magyar

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 November 24, 2009. Claimant and her husband personally appeared and testified.

ISSUE

Did the department and claimant fully resolve claimant's grievance by binding settlement offer and agreement?

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 a disabled 52-year-old female who received full coverage MA in [REDACTED] until her eligibility for benefit continuation was reassessed during a mandatory review initiated in January 2009.

(2) Claimant's circumstances changed because she got married on December 25, 2008; consequently, her new husband's reported income was taken into account when he became a mandatory member of her fiscal group, as required by policy.

(3) This required claimant to be put into an MA deductible category with a [REDACTED] monthly deductible amount.

(4) In April 2009, claimant incurred [REDACTED] in medical expenses which were not used to make her MA eligible despite the fact she timely submitted an itemized billing and her Facility Admission Notice (MSA-2565) to the local office on April 10, 2009.

(5) Claimant promptly filed a hearing request and her hearing was held on November 24, 2009.

(6) The department's witness stipulated to departmental error on the record at hearing and offered to apply claimant's timely submitted outstanding medical debt against her monthly deductible as required by BEM Item 545.

(7) Claimant agreed to accept the department's offer of settlement in full resolution of her grievance.

### 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).

The applicable departmental policy states:

## **MA GROUP 2 INCOME ELIGIBILITY**

### **Deductible**

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred.

### **Active Deductible**

Open an MA case **without ongoing Group 2 MA coverage** on CIMS as long as:

- . The fiscal group has excess income, **and**
- . At least one fiscal group member meets all other Group 2 MA eligibility factors.

Such cases are called active deductible cases. Periods of MA coverage are added on CIMS each time the group meets it deductible.

### **Deductible Period**

Each calendar month is a separate spend-down period.

### **Deductible Amount**

The fiscal group's monthly excess income is called a deductible amount. PEM 545, pp. 8-9.

The group must report expenses by the last day of the third month following the month for which it wants MA coverage. PAM 130 explains verification and timeliness standards. PEM, Item 545. p. 9.

### **Expenses Reported After Coverage Authorized**

Do not alter the MA eligibility begin date if you have already authorized coverage on CIMS. However, any expenses the group reports that were incurred from the first of such a month, through the day before the MA eligibility begin date might be countable as old bills. PEM, Item 545, p. 10.

**MSA-Pub. 617, Medicaid Deductible Information**

Give the group a MSA-Pub. 617 or send one with the Deductible Notice when an active deductible starts and at each redetermination. PEM, Item 545, p. 12.

Additionally, the law, MCL 24.278(2); MSA 3.560(178)(2), provides that disposition may be made of a contested case hearing by stipulation or agreed settlement. Both parties have agreed to the settlement terms set forth above.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that claimant and the department entered into a valid, binding settlement agreement on the record at hearing.

Accordingly, this case is returned to the local office for implementation of the settlement terms. SO ORDERED.

/s/  
\_\_\_\_\_  
Marlene B. Magyar  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: December 2, 2009

Date Mailed: December 8, 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.

2009-26678/mbm

MBM/db

cc:

