

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.: 2009-29158

Issue No.: 2026

Case No.: [REDACTED]

Load No.: [REDACTED]

Hearing Date:

September 3, 2009

Wayne County DHS (17)

ADMINISTRATIVE LAW JUDGE: Colleen M. Mamelka

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant request for hearing received by the Department on June 4, 2009. After due notice, a hearing was conducted from Detroit, Michigan on September 3, 2008. The Claimant appeared and testified. [REDACTED] appeared on behalf of the Department.

ISSUE

Whether the Department properly calculated and notified the Claimant of her Medical Assistance ("MA") spend down?

FINDINGS OF FACT

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

1. The Claimant is a MA recipient.
2. In October, the Department completed a review which included a new MA budget.

3. The Department sent the Claimant a spend down letter along notifying her that due to countable income, the Claimant was responsible for a monthly MA deductible in the amount of \$202.00.
4. The Claimant denied receipt of the MA deductible notice.
5. The Department used the Claimant's actual income in calculating the Claimant's deductible.
6. The Claimant submitted medical bills.
7. At the time, the Claimant was not clear regarding the requirements of meeting a deductible.
8. On June 4, 2009, the Department received the Claimant's Hearing Request protesting the spend down deductible.

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").

MA income eligibility exists for the calendar month tested when there is no excess income or allowable medical expenses that equal or exceed the excess income. PEM 545 The fiscal group's monthly excess income is called a deductible amount. PEM 545 Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. *Id.*

In the record presented, the calculated the Claimant's spend down deductible based upon actual gross wages earned. The Department acknowledged that coverage was not activated until May of 2009 to cover April but never addressed the December 2008 coverage. Conversely, the Claimant testified to submitting medical invoices in excess of the deductible which were not acted upon. Ultimately, the Department was unable to establish it notified the Claimant of the deductible amount or that the submitted medical invoices were properly accounted for. Under these facts, the Department's actions are not upheld.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds the Department failed to establish it notified the Claimant of the deductible amount or that the Claimant's medical documentation was properly accounted for.

Accordingly, it is ORDERED:

1. The Department's determination is REVERSED.
2. The Department shall re-calculate the Claimant's MA deductible effective December 2008 and notify the Claimant, in writing, of the determination.
3. The Department shall supplement the Claimant for any lost benefits (if any) she was entitled to receive if otherwise eligible and qualified.

/s/

Colleen M. Mamelka
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 09/11/09

Date Mailed: 09/11/09

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 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.

CMM/jlg

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