

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

██████████

Claimant

Reg. No.: 200935111

Issue No.: 2026

Case No.:

██████████

Load No.:

Hearing Date:

April 14, 2010

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 hearing. After due notice, an in-person hearing was conducted from Detroit, Michigan on April 14, 2010. The Claimant appeared and testified along with her son, ██████████ and her daughter, ██████████. ██████████, FIM and ██████████ ██████████ FIS, appeared on behalf of the Department.

ISSUE

Whether the Department properly determined the Claimant's Medical Assistance ("MA") deductible amount.

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 was an active MA recipient.

2. A budget was completed in May of 2009 which determined Claimant to be entitled to MA after meeting a deductible of \$669.00 per month. (Exhibit 1, pp. 2-4).
3. The Department used unearned income of \$1064 per month from RSDI and a pension in determining Claimant's MA budget. Claimant did not dispute the amount of income used by the Department.
4. The Claimant testified that there is one person in her group.
5. On June 2, 2009, Claimant requested a hearing contesting the department's determination that Claimant is required to pay a deductible, and the amount of the 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/Bridges Administrative Manual ("PAM/BAM"), the Program/Bridges Eligibility Manual ("PEM/BEM"), and the Reference Tables ("RFT").

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/BEM 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/BEM 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/BEM 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/BEM 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/BEM 545; 42 CRF 435.831. If old bills equal or exceed a group's excess income, the group may delay having a deductible and MA may be authorized for up to six months. BEM 545, p.8.

The monthly protected income level for a Medical Assistance group of one living in Wayne County is \$375.00 per month. RFT 240, RFT 200. In determining net income a standard deduction of \$20 is deducted for SSI related Medical Assistance recipients. Health insurance premiums for the disabled individual can be added to the PPI to determine the Claimant's deductible.

In the present case, claimant's net income of \$1044 exceeds the monthly protected income level by \$669.00 per month. Claimant is consequently ineligible to receive Medical Assistance. However, under the deductible program, if Claimant incurs medical expenses in excess of \$669.00 during the month, she may then be eligible for Medical assistance. Accordingly, the undersigned finds that the Department has acted in accordance with department policy and law in setting a deductible.

Claimant and her family also provided additional testimony, however, that the lag in the Department's application of Medicaid for a month in which the deductible is met has caused significant upheaval for Claimant. Claimant's medical appointments are over \$669.00 every month. Despite qualifying for Medicaid on a monthly basis, Claimant is having difficulty getting her prescriptions covered as the MA is not activated quickly enough. This results in Claimant (or Claimant's family) paying out of pocket and/or not receiving the medications. As Claimant has significant expenses every month, the Department should be looking at whether Claimant's

past bills would allow for the deductible to be delayed and MA to be activated up to six months in the future based on the old bills.

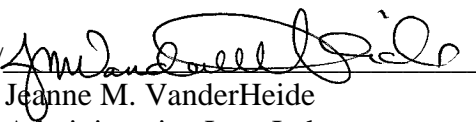
Accordingly, based upon the foregoing facts and relevant law, it is found that the Department's determination is AFFIRMED in part and REVERSED in part.

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 calculated the Claimant's MA benefits effective 8/1/09. However, the Department needs to review Claimant's past medical bills to determine if the MA deductible can be delayed and MA activated for the future.

Accordingly, it is Ordered:

1. The Department's determination of Claimant's MA deductible effective 8/1/09 is AFFIRMED.
2. The Department shall reprocess Claimant's old medical bills from May, 2009 forward to determine whether the old bills support a delay in deductible. If so, the Department will activate MA up to six months into the future.
3. The Department shall supplement Claimant with any lost benefits she was otherwise entitled to receive.

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

Date Signed: May 10, 2010

Date Mailed: May 10, 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.

JV/hw

cc:

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