

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: 2009-7424

Issue No: 2026

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

August 19, 2009

Livingston County DHS

ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie

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 Wednesday, August 19, 2009. The claimant personally appeared and testified on her own behalf.

ISSUE

Did the department properly place the claimant's Medical Assistance (MA) case in spend-down status and determine her monthly deductible?

FINDINGS OF FACT

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

- (1) The claimant was eligible for MA with a MA review in October 2008.

(2) On October 21, 2008, the department caseworker received verification through a Social Security SOLQ that the claimant was receiving RSDI benefits in the amount of [REDACTED].

(Department Exhibit 5)

(3) On October 21, 2008, the department caseworker received written verification through the Child Support Payment Report that the claimant was receiving [REDACTED] in child support.

(Department Exhibit 6)

(4) On October 23, 2008, the department caseworker completed a continued MA eligibility budget for the claimant based on an unearned income of [REDACTED] (Department Exhibit

1-4):

- The claimant had a net income of [REDACTED], which resulted in a total allocation of \$85 and a \$20 disregard.
- With a net income of [REDACTED], the claimant did not qualify for MA because her net income was greater than \$867 per month.
- The claimant had a total need of \$504.40, resulting from a protected income level of \$408 for a group size of one in her shelter area and a health insurance premium of \$96.40.
- The claimant had an excess income/deductible of \$425, resulting from a net income of [REDACTED] minus the total need of \$504.40.

(5) On October 23, 2008, the department caseworker sent the claimant a notice that her MA deductible amount would be \$425 each month. (Department Exhibit A)

(6) On October 29, 2008, the department received a hearing request from the claimant contesting the department's negative action.

### 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 department manuals provide the following relevant policy statements and instructions for caseworkers:

## **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.

### **Meeting a Deductible**

Meeting a deductible means reporting and verifying allowable medical expenses (defined in "**EXHIBIT I**") that equal or exceed the deductible amount for the calendar month tested. PEM, Item 545, p. 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.

In this case, the claimant has a fiscal group net income of [REDACTED]. The claimant's protected income level in her shelter area for a group size of one is \$408 and her health insurance premium of \$96.40 for a total need of \$504.40. PRT 240. After subtracting the claimant's total needs amount of \$504.40 from her total fiscal group net income of [REDACTED], the claimant would be left with an excess income or deductible amount of \$425.

Therefore, the claimant's MA deductible determination must be upheld.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly placed the claimant's MA case in spend-down status and determined the monthly deductible of \$425.

Accordingly, the department's MA deductible action is **AFFIRMED**.

/s/ \_\_\_\_\_  
Carmen G. Fahie  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: August 27, 2009

Date Mailed: August 28, 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.

CGF/vmc

cc:

