

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: 2009-18096  
Issue No: 2026  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
February 17, 2010  
Montcalm County DHS

ADMINISTRATIVE LAW JUDGE: Jana A. Bachman

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 February 17, 2010.

ISSUE

Whether the Department of Human Services (department) properly determined claimant's eligibility for Medical Assistance (MA).

FINDINGS OF FACT

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

- (1) During December 2008, claimant was a recipient of Medical Assistance.

Claimant's case was due for review.

- (2) December 18, 2008, the department prepared an MA budget. Claimant's total income was [REDACTED] consisting of income from the [REDACTED]. A standard

██████ was disregarded leaving net MA income of ██████. Total needs for a household of one residing in ██████ is ██████. Claimant had excess income/deductible of ██████0 per month. Department Exhibit A, pgs 2-5.

(3) December 18, 2008, the department provided claimant with timely written notice that her full coverage MA was being terminated and that she would begin having a monthly deductible during January 2009. Department Exhibit A, pgs 1, 6-7.

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

When determining eligibility for MA, the household's total income must be evaluated. All earned and unearned income of each household member must be included unless specifically excluded. Social Security benefits are not excluded and must be counted when determining MA eligibility. The MA program provides for a standard \$20.00 deduction from unearned income. Sixty-five dollars plus half of earned income is deducted. A deduction may be included for expenses that enable an impaired or blind person to work and for guardianship or conservatorship fees. An allocation from income may be made to non SSI children living with the household. Bridges Eligibility Manual (BEM) 500, 541.

Federal regulations at 42 CFR 435.811, .814, .831(C)(I), and .007 provide standards for MA eligibility. The department, in compliance with these regulations, has prepared income tables that are set forth at Reference Table (RFT) 240 and specify the amount of income a household may have to qualify for MA. These maximum income levels are referred to as the Protected Income Levels. MA policy provides for additions to the Protected Income Level. An addition is allowed if the individual or household pays health insurance premiums. An addition may also be made for the cost of remedial services. BEM 544.

Monthly deductible is a process by which a person or household with excess income may qualify for MA coverage. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the monthly deductible amount for the calendar month being tested. The group must report expenses by the last day of the third month following the month it wants MA coverage. Medical expenses may be allowed when: (a) the expenses are incurred by an MA group member; and (b) the MA individual or household is responsible for payment; and (c) when they have not previously been used to meet a monthly deductible. The bills may be old or new expenses. BEM 545.

In this case, the Administrative Law Judge has examined the record and the department policy finds that the department correctly calculated claimant's countable income and Protected Income Level. At hearing, claimant testified that less income was deposited in her account and that she now had insurance premiums taken out. Amount deposited in account is not the countable Social Security income for MA purposes. See policy statements above. Insurance premiums began being taken out of claimant's SSA income sometime after the department prepared the December 2008 budget. Accordingly, this subsequent change does not affect the

determination that the department prepared during December 2008. Accordingly, the department has met its burden of proof and its action must be upheld. Finding of Fact 1-3.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department of Human Services acted in compliance with department policy when it determined claimant's eligibility for Medical Assistance benefits.

Accordingly, the department's action is, hereby, UPHELD.

/s/ \_\_\_\_\_  
Jana A. Bachman  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: August 20, 2010

Date Mailed: August 25, 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 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.

JAB/db

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