

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: 2009-1991

Issue No: 2019

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

April 30, 2009

Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne L. Keegstra

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 April 30, 2009. The claimant personally appeared and testified.

ISSUE

Did the department properly place the claimant on a Medical Assistance (MA) spend-down or deductible in May, 2008?

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 re-applied for MA benefits in May, 2008 for himself and his daughters (Department Exhibit #11 – 26).

2. The claimant indicated on the Assistance Application (DHS-1171) that he and two of his daughters receive monthly RSDI income in the amount of \$1,288.00 for the claimant and \$371.00 for two of his daughters (Department Exhibit #21).

3. The department worker ran a report from the Social Security Administration report on April 30, 2008, that showed the claimant received \$1,484.00 in RSDI benefits (Department Exhibit #9).

4. The department then completed a MA budget for the claimant. Included in the budget was the claimant's RSDI of \$1,484.00 monthly. This resulted in excess income in the amount of \$992.00, which is the claimant's monthly spend-down or deductible (Department Exhibit #4, 6).

5. The claimant's two daughters, [REDACTED], continue to be covered under MA-L. (Department Exhibit 5)

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 goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA). PEM 105.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- . There is no excess income, **or**
- . Allowable medical expenses equal or exceed the excess income (under the Deductible Guidelines). PEM 545.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. PEM 105. Income eligibility exists when net income does **not** exceed the Group 2 needs in PEM 544. PEM 166. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. PRT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. PEM 544. An eligible Medical Assistance group (Group 2 MA) has income the same as or less than the “protected income level” as set forth in the policy contained in the Program Reference Table (PRT). An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However, a MA group may become eligible for assistance under the deductible program. The deductible program 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 545; 42 CFR 435.831.

The claimant indicated that when he was on MA previously, he did not have any deductible or spend-down. Therefore, he questioned why he would have a MA deductible or spend-down now. The department worker testified that the claimant’s MA budget was run in

error previously, as it appeared that the total amount of his RSDI benefit was not included in the MA budget. The claimant agreed that the numbers included in his MA budget run in May, 2008 were correct. The claimant did not seem to understand what a deductible or spend-down was, so this Administrative Law Judge explained to the claimant that he would still have MA coverage that could be utilized in any month that he exhausted his deductible of \$992.00. This Administrative Law Judge also noted that his two daughters were still covered under the MA-L program, as testified to by the department representative. The claimant then indicated he understood and had no further questions.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly determined the claimant had excess income for MA coverage and did properly determine that the claimant was, instead, eligible for a MA deductible or spend-down case with a deductible of \$992.00 per month.

Accordingly, the department's decision is AFFIRMED. SO ORDERED.

/s/ _____
Suzanne L. Keegstra
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: May 11, 2009

Date Mailed: May 11, 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.

2009-1991/SLK

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.

SLK [REDACTED]

cc: [REDACTED]