

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: 2009-2215  
Issue No: 2026; 2013  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
January 13, 2009  
Livingston 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, an in-person hearing was held on January 13, 2009.

ISSUE

Whether the Department of Human Services (department) acted in compliance with department policy when it determined claimant's Medical Assistance (MA) benefits?

FINDINGS OF FACT

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

- (1) April 17, 2008, the Medical Review Team determined claimant is not disabled.
- (2) [REDACTED], the department prepared an MA budget for [REDACTED]. The budget determined eligibility for all family-related related Medicaid programs. The claimant's unearned income was [REDACTED]0 consisting of unearned income from a non-service connected

██████████ pension. Through a standard formula, ██████████ was deducted as an allocation to another household member, leaving net unearned income for MA purposes of ██████████. Claimant was determined to have a protected income level of ██████████. After all allowable expenses were included; claimant had a monthly MA deductible of ██████████.

Department A.

(3) ██████████, the department opened claimant's MA on her newly assigned case number and sent her notice that she was approved with a spend down. Department A.

### 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 Medical Assistance (MA), all income must be included that is not specifically excluded. Unearned income from VA pensions is not excluded and must be counted. In this case, the MA program provides for a standard deduction from earnings of \$90.00. If the household member with earned income received Family Independence Program (FIP) or Low Income Family (LIF) MA benefits in at least one of the four months preceding the for which eligibility is being determined, the MA program provides for an additional deduction from earnings of  $30 + \frac{1}{3}$ . A deduction may be taken for the cost of childcare when necessary

for a household member to work. A deduction up to \$60.00 is permitted for guardianship or conservatorship fees. When a group member has dependents, a percentage of income may be allocated to the dependents. Program Eligibility Manual (PEM) 500, 536.

Federal regulations at 42 CFR 435.811, .814, .831 (c)(i), and .1007 provide standards for MA eligibility. The department, in compliance with these regulations, has prepared income tables which are set forth at Program Reference Table (PRT) 240 and establish maximum countable income that an individual or family may have to qualify for MA. PRT 240.

MA policy provides for additions to the maximum countable income. An addition is permitted if the individual or household pays health insurance premiums. Another addition may be made for allowable costs of remedial services. PEM 544, 42 CFR 435.811, .814, .831 (c)(i), .1007, MCL 400.106, .107.

Deductible is a process through which a person or household with excess income may qualify for MA. Meeting a deductible means reporting and verifying all allowable medical expenses that equal or exceed the deductible amount for the calendar month being tested. The group must report their medical 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 were incurred by an MA group member, and ■. the MA individual or household is responsible for payment, and ■ when the bills have not been used previously to meet a deductible. The medical bill may be an old or new expense. Any of the following may be used to verify medical expenses: a. bill from medical provider, b. receipt from a medical provider, and c. contact with medical provider or provider's billing service. PEM 545, 42 CFR 435.831 (b)-(d), MCL 400.106, .107.

Third party payments are payments from any liable party for medical services. They include payments from Medicare, other health insurance, or any payment a liable third party has made or will make. PEM 545, 42 CFR 435.831 (b)-(d), MCL 400.106, .107.

After careful examination of the record, the Administrative Law Judge decides that the department properly determined claimant's MA program eligibility, MA income, MA income limit, and monthly MA deductible. A proper allocation to claimant's dependent was included on the budget. Claimant does not have child care costs to enable a person to work, health insurance cost or remedial services costs. Deductions for living expenses are not allowed on MA. Having no allowable expenses, claimant was not entitled to any additions to the standard protected income level of [REDACTED]. Claimant's countable MA income of [REDACTED] when considered against the standard protected income level of [REDACTED], leaves claimant a monthly deductible of [REDACTED]. Accordingly, the department has met its burden of proof and its action must be upheld. Finding of Fact 1-3.

At hearing, claimant testified that she needs medical care that must be paid for at time of service and can not wait for a deductible to be approved. She asserted that her household does not have sufficient funds to cover expenses. However, the Medicaid program does not permit authorization of services prior to meeting the monthly deductible. PEM 545. The medical program does not permit additions for expenses other than those discussed above. PEM 536, 544, 545, PRT 240.

In her hearing request, claimant asserted that she should not have been assigned a new case number different from her daughter's case number. Department policy provides that all department programs are registered using the registration functions on ASSIST. ASSIST determines the registration category codes based on information the department records from the

application or filing form. ASSIST assigns numbers used to identify individuals and groups that must be known to DHS systems. Program Administrative Manual (PAM) 110. As such, case numbers are automatically assigned by the department's computer system as needed for identification of individuals and groups. Therefore, the department does not have the option of providing a client with a specific case number or combining all programs onto one case number. Accordingly, the department has met its burden of proof and its action must be upheld.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides 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: \_\_\_\_\_

Date Mailed: \_\_\_\_\_

**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.

2009-2215/jab

JAB/db

cc:

