

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.: 2009-28973  
Issue No.: 2026  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
September 10, 2009  
Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Linda Steadley Schwarb

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 hearing was held on September 10, 2009. The claimant appeared and testified.

ISSUE

In determining allowable medical expenses for purposes of meeting a monthly Medical Assistance (MA) spend-down, did the Department of Human Services (DHS or department) properly count only the portion of the medical bill that claimant was personally responsible for paying?

FINDINGS OF FACT

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

- 1) Claimant has been an ongoing recipient of MA with a monthly spend-down.
- 2) In March of 2009, claimant's MA spend-down was \$750.00 per month.

- 3) On [REDACTED], claimant has an MRI which cost \$1,602.00. Claimant was personally responsible for paying \$320.00 of the \$1,602.00 bill. (Department Exhibit #1.) The remainder of the bill was to be paid by a liable third party resource.
- 4) The department received claimant's \$1,602.00 bill on March 16, 2009, and on March 25, 2009, applied \$320.00 of the bill towards claimant's monthly \$750.00 MA spend-down for the month of March.
- 5) Claimant did not submit verification of sufficient medical expenses to meet her \$750.00 MA spend-down for the month of March, 2009.
- 6) On May 19, 2009, and on June 12, 2009, claimant filed hearing requests to protest the department's failure to provide her with full MA coverage.
- 7) At the hearing, claimant argued that the department should have counted the full \$1,602.000 cost of the MRI towards meeting her monthly MA spend-down rather than just the portion of the bill that claimant was personally responsible for paying.

#### 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).

Relevant policy in this matter is as follows:

MA Group 2 Income Eligibility

Income eligibility exists for the calendar month tested when:

- There is no excess income.
- Allowable medical expenses (defined in “Exhibit 1”) equal or exceed the excess income.

BEM Item 545, Page 1.

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. ...

Meeting a deductible means reporting and verifying allowable medical expenses (defined in “Exhibit 1”) that equal or exceed the deductible amount for the calendar month tested. BEM Item 545, Page 9.

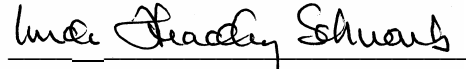
The actual charge(s) minus liable third-party resource payments counts as an allowable expense. BEM Item 545, Page 13.

In this matter, departmental policy requires that an allowable medical expense, countable for purposes of meeting a monthly MA spend-down, must be the actual charge(s) minus liable third-party resource payments. BEM Item 545, Page 13. In other words, since claimant was only responsible for paying \$320.00 of the \$1,602.00 charge for her [REDACTED], MRI, the department could only count \$320.00 towards claimant’s monthly MA spend-down. The department could not count the remainder of the bill which a third-party resource was liable to pay. In this case, the department followed policy 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 that in determining allowable medical expenses for purposes of meeting a monthly Medical Assistance spend-down, the department properly counted only the portion of the

medical bill that claimant was personally responsible for paying. Inasmuch as the department followed policy in this matter, the department's action must be upheld.

  
Linda Steadley Schwarb  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: January 12, 2010

Date Mailed: January 14, 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.

LSS/pf

cc:

