

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: 2009-30236

Issue No: 2026

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

January 20, 2010

St. Clair 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 January 20, 2010.

ISSUE

Whether the Department of Human Services (department) properly determined claimant's monthly Medicaid (MA) 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) April 28, 2009, the department prepared a MA budget. Claimant's total income was [REDACTED] consisting of claimant's [REDACTED] and her husband's [REDACTED] income. A standard [REDACTED] was deducted leaving [REDACTED]. Total needs for MA

purposes for a household of two are [REDACTED]. Countable income of [REDACTED] less total MA needs of [REDACTED] leaves a monthly deductible of [REDACTED]. Department Exhibit A, pgs 1-9.

(2) April 28, 2009, the department issued claimant written notice that she was approved for Medicaid for the month of April but must pay [REDACTED] for the cost of hospital/long-term care. Claimant was also sent a notice that her monthly deductible would be [REDACTED] each month. Department Exhibit A, pgs 15-16.

### 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, all income must be included that is not specifically excluded. Social Security benefits and unemployment benefits are not excluded and must be counted. For disability-related MA, a standard \$20 is taken from unearned income. A deduction may also be taken for guardianship or conservatorship fees, if the person has such an expense. Bridges Eligibility Manual (BEM) 500, 530, 541; Social Security Act, Section 1902(a)(10); 42 CFR 435.831(a)(2); MCL 400.106.

After careful examination of the record, the Administrative Law Judge decides that the department properly determined claimant's countable income for MA purposes. Claimant's

unearned income is countable (BEM 500). All allowable deductions were included on the budget. Finding of Fact 1.

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 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.

After careful examination of the record, the Administrative Law Judge decides that the department properly determined claimant's monthly needs for MA purposes and monthly MA deductible. In compliance with federal and state regulations, the department has established standard income limits to qualify for MA. These standards are set forth at Reference Table (RFT 240). RFT 240 provides that a household of two residing in [REDACTED] has a monthly need for MA purposes of [REDACTED]. Additions to the Protected Income Level are permitted for the cost of health insurance and remedial services. Deductions or allowances for the cost of heat, utilities, telephones, and other living expenses are not permitted when determining MA eligibility. BEM 544; 42 CFR 435.811, .814, .831(c)(i), .1007; MCL 400.106, .107. Thus claimant's countable MA income of [REDACTED] when considered against the total needs of [REDACTED] leaves claimant a monthly deductible of [REDACTED]. Finding of Fact 1-2.

The department properly determined claimant's monthly countable income and needs. Accordingly, the monthly deductible is correct and the department's 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.

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

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

Date Signed: March 15, 2010

Date Mailed: March 16, 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

cc:

