

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],

Reg. No: 2009-33410

Issue No: 2026

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

April 14, 2010

St Joseph 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 request for a hearing. After due notice, telephone hearing was held on April 14, 2010.

ISSUE

Whether the Department of Human Services (department) acted in compliance with department policy when it determined claimant's eligibility for 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) During April 2009, claimant was a recipient of MA benefits.

(2) On or about April 2009, the department converted to the “BRIDGES” computer system. During conversion, claimant was erroneously granted full MA benefits with no monthly deductible. Department Exhibit A, page 1.

(3) On or about June 2009, BRIDGES updated claimant’s budget finding that claimant has a monthly deductible of [REDACTED]. During July 2009, the department prepared a budget. Claimant’s income was [REDACTED]0 consisting of Social Security benefits. A standard [REDACTED] was deducted, leaving countable MA income of [REDACTED]. Claimant’s standard protected income for MA purposes was [REDACTED]. Monthly deductible continued to be \$ [REDACTED]. Department A, page 4.

(4) On June 5, 2009, the department sent claimant a notice that the monthly medical deductible would be [REDACTED]. Department A, pages 10-16.

#### 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, 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 [REDACTED] deduction from unearned income. [REDACTED] ½ 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 (BEM) 500, 541.

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 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 limits 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.



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