

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.: 2009-36660

Issue No.: 2014

Case No.: [REDACTED]

Load No.: [REDACTED]

Hearing Date:

March 29, 2009

Macomb County DHS (20)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan on March 29, 2010. The Claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUE

Whether DHS properly calculated Claimant's Medical Assistance (MA) application?

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 applied for MA on 3/22/09.
2. Claimant received \$503/week in unemployment compensation (UC) benefits
3. Claimant was part of a five member group including three minor children, himself and spouse.

4. DHS found Claimant and his spouse eligible for Medicaid subject to a \$1657 monthly deductible.
5. Claimant submitted a Hearing Request on 4/30/09 regarding eligibility for MA for himself and spouse.

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 (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. Income eligibility exists when net income does **not** exceed the Group 2 needs in PEM 544. BEM 166. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544. An eligible MA group has net group income the same as or less than the “protected income level” as set forth in RFT 240. An individual or MA group whose net fiscal group income is in excess of the monthly protected income level is eligible for an MA deductible. 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. BEM 545; 42 CFR 435.831.

In the present case, Claimant disputes the decision concerning MA eligibility for himself and spouse. Generally, clients may only receive Medicaid if they fall into one of the following categories: caretaker of minor child/children, senior, disabled, pregnant or under 21 years old. Claimant and his spouse would qualify for Medicaid for being a caretaker for minor children if financial and non-financial requirements are met.

BEM 135 covers non-financial requirements for MA caretaker eligibility; BEM 536 covers financial requirements for MA caretaker eligibility. Claimant did not dispute the \$503/week unearned income used in calculating MA eligibility. The actual monthly net income for Claimant's MA group is \$2112 ($\503×4 weeks). The net income is divided by a prorated divisor ($2.9 + \text{number of dependent children} + 1$ if married) to determine a person's prorated share of income. In the present case, \$2112 is divided by 6.9 for a prorated share of \$306.

The fiscal group's net income is calculated by adding the following: adult's prorated share $\times 2.9$ (\$887), Spouse's prorated share $\times 3.9$ (\$1193) and adult's other share (\$306). In the present case, the group's net income is \$2386. The net income is compared to the protected income level (found in RFT 240). The protected income level (PIL) for Macomb County with a group size of 2 is \$541; note that the group size does not include minor children for caretaker MA. Because the fiscal group monthly income exceeds the PIL, Claimant is only eligible for a Medicaid deductible, not Medicaid. The deductible amount is calculated by taking the difference between the net income and PIL ($\$2386 - \541) which is \$1845.

DHS erred by calculating the unemployment income as earned income which gave Claimant income disregards to which he was not entitled. Either way, the decision remains that Claimant is only eligible for a deductible for which he has not met.

DECISION AND ORDER

The DHS decision finding that Claimant and his spouse are only eligible for a deductible is AFFIRMED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS under-calculated Claimant's deductible. Should Claimant submit medical bills to meet the previously calculated deductible, DHS is to recalculate the deductible amount counting Claimant's unemployment as unearned income or give Claimant the benefit of the \$1657 deductible.



Christian Gardocki
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 4/6/2010

Date Mailed: 4/6/2010

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.

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