

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: 2010-11576
Issue No: 2026
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
April 27, 2010
St. Clair County DHS

ADMINISTRATIVE LAW JUDGE: Jana B. 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 April 27, 2010.

ISSUE

Whether the department properly determined claimant's eligibility for Medical Assistance (MA).

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 27, 2010, the department prepared an MA budget. The family of three had total income of [REDACTED] consisting solely of Social Security disability benefits. A standard [REDACTED] deduction was taken as well as [REDACTED] for a Medicare expense. Total countable income was [REDACTED]. Protected Income Level (PIL) for the family was [REDACTED]. Monthly deductible was [REDACTED].

- (2) The client conceded on the record that the income figures are correct.

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 disability benefits are not excluded and must be counted. The MA program provides for a standard \$20 deduction from unearned income. 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 Eligibility Manual (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 a 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.

In this case, the Administrative Law Judge has examined the record and the department's policy and finds that the department correctly calculated claimant's monthly deductible. At hearing, the department witness indicated that [REDACTED] in Medicare expenses was deducted from the income when in fact, the policy requires that it be added to the Protected Income Level. In any case, the end result is the same: a monthly deductible of [REDACTED]. At hearing, the claimant asserted that her other monthly bills exceeded her income and she had nothing left to buy medication with or pay for health care, forcing her to choose between paying her household bills and obtaining proper health care. Unfortunately, the Medical Assistance program does not provide allowances for other household bills. Accordingly, the department has met its burden of proof and its action must be upheld. Finding of Fact 1-2.

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 B. Bachman
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: April 29, 2010

Date Mailed: April 30, 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

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