

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.: 2010-13535  
Issue No.: 2026  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
June 17, 2010  
Wayne County DHS (43)

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 Claimant's request for a hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan on June 17, 2010. 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) eligibility beginning 9/2009.

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 was an ongoing MA recipient.
2. In 2009, Claimant received \$1,031/month in Retirement, Survivor, Disability Insurance (RSDI) benefits.

3. Claimant received RSDI benefits due to disability.
4. In approximately 8/2009, DHS found Claimant eligible for Medicaid subject to a \$636 monthly deductible.
5. Claimant submitted a hearing request on 12/7/09 regarding her MA eligibility.

#### 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).

The Medical Assistance program was designed to assist needy persons with medical expenses. The State of Michigan has set guidelines for income, which determines if a MA group falls within the needy classification. A recipient who has excess income for Medicaid programs is not eligible for ongoing Medicaid.

A recipient with excess income for ongoing Medicaid may be eligible for Medicaid under the deductible program. A deductible 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.

Claimant disputes whether DHS correctly determined her eligibility for Medicaid and the amount of her deductible. Based on Claimant's circumstances, her best program for Medicaid is

through the AD-Care program. AD-Care issues Medicaid to aged or disabled persons who meet the AD-Care financial and non-financial requirements. The only dispute is Claimant's income eligibility for the program.

Income eligibility for AD-Care exists when a client's net income does not exceed the income limit in RFT 242. BEM 163 at 2. Claimant received \$1,031/month in RSDI in 2009. The monthly income limit for ongoing Medicaid eligibility through AD-Care is \$903/month. RFT 242. It is found that DHS properly denied Claimant's request for ongoing Medicaid as Claimant's monthly income exceeds the income limits for AD-Care.

As a client with excess income for ongoing Medicaid eligibility, Claimant could still receive Medicaid subject to a monthly deductible. The deductible is calculated by taking Claimant's gross monthly income (\$1,031), subtracting \$20 as a standard unearned income disregard and subtracting the protected income level (\$375) as found in RFT 240. BEM 541 at 1. It is found that DHS properly calculated Claimant's monthly deductible to be \$636.

DECISION AND ORDER

The actions taken by DHS are AFFIRMED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly calculated Claimant to be eligible for Medicaid subject to a \$636 monthly deductible.



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

Date Signed: 6/18/2010

Date Mailed: 6/18/2010

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 60 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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