

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: 2010-25658  
Issue No: 2014  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
July 27, 2010  
Genesee County DHS

ADMINISTRATIVE LAW JUDGE: Kevin Scully

HEARING DECISION

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.9 and MCL 400.37. Claimant's request for a hearing was received on January 4, 2010. After due notice, a telephone hearing was held on Tuesday, July 27, 2010.

ISSUE

Whether the Department of Human Services (Department) properly determined the Claimant's Medical Assistance (MA) eligibility?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

- (1) The Claimant applied for MA benefits.
- (2) The Claimant receives monthly earned income in the gross monthly amount of [REDACTED]

(3) The Department received the Claimant's request for a hearing on January 4, 2010, protesting the denial of MA benefits.

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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

MA is available to parents and other caretaker relatives who meet the eligibility factors in this item. BEM 135. Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. BEM 135. The protected income level (PIL) is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544. Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545. Income eligibility exists for all or part of the month tested when the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545. An active deductible case is where the MA group has excess income and at least one group member meets all other Group 2 MA eligibility factors. BEM 545.

The Claimant applied for MA benefits as a group of three. The Claimant receives monthly earned income in the gross monthly amount of [REDACTED]. The monthly protected income level for a group of three in the Claimant's shelter area is [REDACTED]. The Department denied

the Claimant's application for MA benefits because her group income exceeds the protected income level.

An eligibility budget for the MA benefits was not available during the hearing. The Department did not present evidence of the Claimant's expenses or income deductions during the hearing.

The Department offered evidence of the Claimant's monthly income, but failed to establish how it denied the Claimant's application for MA benefits based on excess income. The Department established that the Claimant's income exceeded the protected income level, but failed to submit a MA budget which clearly establishes how this precludes her from MA eligibility with an active deductible.

Based on the testimony and evidence offered during the hearing, the Department failed to establish that Claimant is not eligible for MA benefits based on excess income.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department failed to establish that the Claimant is not eligible for MA benefits based on excess income.

Accordingly, the Department's MA eligibility determination is REVERSED. It is further ORDERED that the Department shall:

1. Initiate a determination of the Claimant's eligibility for MA benefits as of December 1, 2009.
2. Issue the Claimant any retroactive benefits she may be eligible to receive, if any.

3. Notify the Claimant of the Department's revised eligibility determination.

/s/  
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Kevin Scully  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: August 2, 2010

Date Mailed: August 3, 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.

KS/vc

cc: 