

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No.: 2010-26350
Issue No.: 2026
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: September 15, 2010
DHS County: Wayne (41)

ADMINISTRATIVE LAW JUDGE: Jan Leventer

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to Michigan Compiled Laws (MCL) Sections 400.9 and 400.37 and Claimant's request for a hearing. After due notice, a telephone hearing was held on September 15, 2010. Claimant appeared and testified. [REDACTED]

[REDACTED], appeared and testified for the Department of Human Services (DHS).

ISSUE

Whether DHS properly requires Claimant to pay a Medical Assistance (MA or Medicaid) deductible?

FINDINGS OF FACT

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

1. On August 10, 2008, Claimant began receiving Unemployment Insurance (UI) benefits from the State of Michigan.
2. In 2009, Claimant received MA benefits from the State of Michigan.
3. On November 12, 2009, Claimant filed a Semi-Annual Contact Report, DHS Form DHS-1046, with DHS.
4. Claimant's Semi-Annual Contact Report indicated she did not have unearned income.
5. On January 6, 2010, DHS learned that Claimant was receiving UI.

6. On January 6, 2010, DHS adjusted and processed Claimant's MA requirements to reflect her unearned UI income.
7. Claimant's UI income of \$642 is above the \$375 maximum income limit for a single person to receive MA benefits without paying a deductible or spend-down.
8. Since January 6, 2010, Claimant has been required to pay an MA deductible in order to receive MA coverage.
9. Claimant does not contest the specific monthly dollar amounts of the deductible.
10. On December 29, 2009, Claimant filed a request for hearing with DHS.

CONCLUSIONS OF LAW

The MA program was established by Title XIX of the United States Social Security Act and is implemented by Title 42 of the United States Code of Federal Regulations. DHS administers the MA program pursuant to MCL 400.10 *et seq.*, and MCL 400.105. DHS policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

BEM Item 500, "Income Overview," sets out the policies and procedures for determining a claimant's countable income for several DHS programs, including MA. Unearned income is counted as income in DHS' calculations for MA. BEM 500, p. 1.

Unearned income is described in BEM Item 500 as "all income that is not earned." Unearned income is discussed in detail in BEM Item 503, "Income, Unearned." BEM Item 503 identifies all of the types of unearned income, it defines each type, and it indicates for each type of unearned income whether it is included as countable income for the different types of assistance (TOA). *Id.*, p. 3; BEM Item 503, p. 1.

The forty-nine categories of unearned income are: accelerated life insurance payments, adoption subsidies, Agent Orange payments, alien sponsor income, American Indian payments, black lung, child allocation, child foster care payments, child support, death benefits, donations/contributions, educational assistance (not work study), factor concentrate litigation settlement (*Walker v Bayer*), flexible benefits, foster grandparents, government aid (including MA), home equity conversion plans, individual development accounts, insurance payments for medical expenses, interest and dividends directly to client, Japanese and Aleut payments, jury duty, lease of natural resources, loan proceeds, Michigan Rehabilitation Services payments, military allotments, Nazi Victims Compensation, Older American Volunteer Program, radiation exposure compensation,

Railroad Retirement Board benefits, Retired Senior Volunteer Program (RSVP), retirement income-other, Retirement, Survivors and Disability Insurance (RSDI) (AKA Social Security benefits), Ricky Ray Hemophilia Relief Act, sale of property in installments, SCORE or ACE, sick and accident insurance payments, spousal support, strike benefits, Supplemental Security Income (SSI), tax refunds and tax credits, trust payments, **unemployment benefits**, urban crime prevention, U.S. Civil Service and Federal Employee Retirement System, veterans benefits, VA pension and compensation, workers compensation, and Youthbuild. *Id.*, pp. 2-28. (Emphasis added.)

RFT 240, "MA Monthly Protected Income Levels," indicates the maximum amount of income allowable in order for a claimant to receive MA without a deductible. Claimant's amount is \$375, which is the income limit in Shelter Area IV. RFT 240. Accordingly, DHS determined that Claimant's UI benefits were higher than the highest income that a person can have in order to receive MA without a deductible.

Based on all of my findings of fact and the legal authority cited above, I determine and conclude that Claimant's UI income has been correctly counted as income for DHS benefits purposes, and that DHS has used this income information properly according to Claimant's income and shelter area. DHS has made a correct determination that Claimant is required to make an MA monthly deductible payment. DHS' action in this case is AFFIRMED. DHS is not required to take further action in this case.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, determines that DHS took appropriate action under its policies and procedures in requiring Claimant to pay a deductible based on her income. DHS' action is AFFIRMED. DHS need take no further action.



Jan Leventer
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: September 16, 2010

Date Mailed: September 17, 2010

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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 mailing 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.

JL/pf

cc:

