

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

IN THE MATTER OF THE CLAIM OF:

[REDACTED]

Reg. No.: 201044390  
Issue No.: 2026  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: November 8, 2010  
Wayne County DHS (17)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**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 held on November 8, 2010. The claimant appeared and testified. [REDACTED], FIM and [REDACTED], ES appeared on behalf of the Department.

**ISSUE**

Was the Department correct in determining the claimant's spend down amount when computing or budget for medical assistance?

**FINDINGS OF FACT**

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

1. A budget was prepared by the Department in March 2010, when the department reran the budget to account for Social Security disability income received by the claimant in the amount of \$1072 and widows survivor's benefits in the amount of \$34.
2. The Department determined, based on the Claimant's income, that she was eligible for medical assistance but was subject to a medical spend down in the amount of \$711 which had to be met before medical coverage would be provided. The Department determined that the spend down was effective September 2009 even though the claimant was eligible for the Adult Medical Program at that time.

3. The Department should have made the spend down amount effective April 1, 2010.
4. The Department correctly computed the Claimant's spend down budget which determined the spend down was \$711. Exhibit 1.
5. In August 2010, the Claimant began paying for Medicare Part B premium in the amount of \$110. The Claimant reported this change to her case worker.
6. The Claimant's medical spend down budget was not changed to account for the Medicare Part B.
7. The Claimant's Part B premium was determined not eligible to be paid by the QMB program.
8. The Claimant did not report any ongoing medical expenses as part of her review in February 2010.
9. The Department correctly computed the Claimant's spend down amount at the time the budget was first computed in February 2010, as the Claimant was not paying for her Part B insurance premium.
10. The Claimant did not understand that she should submit her medical bills on an ongoing basis to meet the spend down requirement.
11. The Department agreed that the Claimant could submit her medical expenses and bills beginning in April 2010, and they would review the bills and apply them to the spend down if already paid by the claimant, and if the spend down was met any unpaid bills could be resubmitted by the claimant's medical providers for reimbursement.
12. The Department agreed to rerun the spend down budget to include in the Claimant's budget as of August 1, 2010 the Medicare part B premium and will re submit it to determine whether her Medicare Part B premium is eligible for QMB and payment under that program.
13. Based upon the foregoing agreements the Claimant indicated that she no longer wished to proceed with the hearing.

**CONCLUSIONS OF LAW**

The Medical Assistance (MA) program is established by the 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 Program Reference Manual (PRM).

Under Bridges Administrative Manual Item 600, clients have the right to contest any agency decision affecting eligibility or benefit levels whenever they believe the decision is illegal. The agency provides an Administrative Hearing to review the decision and determine if it is appropriate. Agency policy includes procedures to meet the minimal requirements for a fair hearing. Efforts to clarify and resolve the client's concerns start when the agency receives a hearing request and continues through the day of the hearing.

In the present case, the department agreed that the claimant could submit her medical expenses and bills beginning April 2010 and that the department would review the bills and apply them to the spend down if the bills were already paid by the claimant, and that any unpaid bills could be resubmitted by the claimant to her medical providers for their submission for payment and reimbursement.

The department also agreed to rerun the spend down budget to include in the claimant's budget beginning August 1, 2010 the Medicare part B premium she is currently paying and will resubmit the budget to determine whether her Medicare Part B premium is eligible for QMB payment of the premium.

Since the Claimant and the Department have come to an agreement it is unnecessary for this Administrative Law Judge to make a decision regarding the facts and issues in this case.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department and Claimant have come to a settlement regarding claimant's request for a hearing.

Therefore it is ORDERED:

1. The Department shall review the Claimant's medical bills to determine if the Claimant has met the monthly spend down amount beginning April 1, 2010 and if the spend down amount is met shall advise the Claimant when

the spend down is met so that the Claimant's providers can submit any unpaid bills for reimbursement.

2. The Department shall rerun the Claimant's spend down budget as of August 1, 2010 to include the Medicare Part B premium paid by the Claimant to determine if the premium is eligible for payment by the Department's QMB program. If the Claimant is not eligible to have her premium paid by the QMB program, the Department shall include the Part B premium in the spend down budget calculations as of August 1, 2010 and shall adjust the spend down amount accordingly retroactive to August 1, 2010.



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Lynn M. Ferris  
Administrative Law Judge  
For Ismael Ahmed, Director  
Department of Human Services

Date Signed: 11/10/2010

Date Mailed: 11/10/2010

**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 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.

LMF/jlg

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