

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.: 2010-5451

Issue No.: 2026

Case No.: [REDACTED]

Load No.: [REDACTED]

Hearing Date:
April 14, 2010

Oakland County DHS

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

DECISION AND ORDER

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 April 14, 2010. The Claimant appeared along with her daughter [REDACTED] and both testified. [REDACTED] FIM appeared on behalf of the Department.

ISSUE

Was the Department correct in determining Claimant's Medicaid 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) Claimant testified that she is satisfied with the actions taken by the Department with regard to Food Assistance and abandons her appeal as it relates to that program.
- (2) Claimant's MA-Ad Care benefit was closed effective October 1, 2009 due to excess income.
- (3) Claimant was found to be eligible for MA-G2S with a \$503 deductible.

- (4) Claimant has \$931 income from social security.
- (5) Claimant requested a hearing on October 22, 2009 contesting the determination of MA and FAP benefits.

CONCLUSIONS OF LAW

The Food Assistance Program, formerly known as the Food Stamp (“FS”) program, is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (“CFR”). The Department of Human Services (“DHS”), formally known as the Family Independence Agency, administers the FAP program pursuant to MCL 400.10, *et seq* and MAC R 400.3001-3015. Departmental policies are found in the Bridges Administrative Manual (“BAM”), the Bridges Eligibility Manual (“BEM”), and the Program Reference Manual (“PRM”).

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 Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

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. Under PEM Items 544 and 545, an eligible Medical Assistance group (Group II MA) has income the same as or less than the “protected income level” plus medical insurance premiums as set forth in the policy contained in the program reference table. An individual or MA group whose income is in excess of the monthly protected income level is

ineligible to receive MA. However a MA group may become eligible for assistance under the deductible program. A deductible is a process, which 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. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. (PEM 545; 42 CFR 435.831.)

In the present case, Claimant is contesting the deductible amount for her MA benefits. In determining net income a standard deduction of \$20 is deducted for SSI-related Medical Assistance recipients (disabled). Claimant's RSDI benefit is \$931, after subtracting \$20 for the general exclusion his net income is \$911. Claimant's net income \$911 exceeds the monthly protected income level of \$408 by \$503 per month. Claimant is consequently ineligible to receive Medical assistance. However under the deductible program, if the Claimant incurs medical expenses in excess of \$503 during the month he may then be eligible for Medical Assistance. This ALJ finds that the Department has acted in accordance with Department policy and law in denying ongoing Medical assistance and determining her deductible amount.

The Claimant has \$911 net unearned income after subtracting the \$20 general exclusion from her \$931 social security benefit. The income limit for the Medicaid Ad-Care program is \$903 so the Department's determination that Claimant is ineligible for this program is correct. RFT 242 An expense that may be deducted from gross income in determining eligibility for the Medicaid Ad-Care program is guardianship/conservator expenses. BEM 541 Claimant does not have guardianship/conservator expenses at this time. Claimant has substantial medical expenses that

were testified to at hearing, but those expenses are not considered when determining net income for the Ad-Care program.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law decides that the Department was correct in the determination of MA and FAP benefits, and it is ORDERED that the Department's decision in this regard be and is hereby AFFIRMED.

/s/ Aaron McClintic

Aaron McClintic
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: May 7, 2010

Date Mailed: May 7, 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.

JV/hw

cc:

