

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.: 20106158
Issue No.: 2026/2013
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: July 12, 2010
Macomb County DHS (12)

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 July 12, 2010. The claimant appeared and testified. [REDACTED], Case Manger, appeared on behalf of the Department.

ISSUE

Whether the Department properly determined the Claimant's Medical Assistance ("MA") deductible amount.

FINDINGS OF FACT

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

1. Claimant was an MA recipient and her MA benefits changed once she began receiving RSDI in the amount of \$1273 per month.
2. As a result of the Claimant receiving RSDI income the Department determined that the Claimant was ineligible for ongoing Medical Assistance due to excess income on November 1, 2009.
3. The Claimant has one dependent child who receives FIP cash assistance. There are two people in her group.

4. The Bridges system made an error on 11/5/09 which was addressed immediately by the department issuing an emergent ticket.
5. A budget analyzing the Claimant's eligibility for MA was completed which determined Claimant's deductible to be \$537.00 per month. (Exhibit 1, p. 1).
6. The Department determined that Claimant had countable unearned income of \$1273 from Social Security Disability, which amount was confirmed by the Claimant. The Claimant had a net income of \$935 based on the Department's MA net income calculations.
7. The protected income level for a group of 1 person residing in Macomb County is \$408. RFT 240.
8. The Claimant agrees with the Department's determination regarding FIP and FAP eligibility with regards to herself and thus did not wish to proceed with these issues at the hearing.
9. Claimant requested a hearing contesting the department's determination terminating her ongoing Medical Assistance and the amount of the deductible.

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).

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105, p. 1. Medicaid is also known as Medical Assistance ("MA"). *Id.* The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. *Id.* Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program thus are categorized as either FIP related or SSI related. *Id.* To receive MA under an SSI related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive MA under FIP related categories. *Id.*

There are various SSI related categories under which one can qualify for MA benefits. BEM 150-174. The MA regulations also divide MA recipients into Group 1 and Group 2 which relate to financial eligibility factors. Financial eligibility for Group 1 exists when countable income minus allowable expenses equals or is below certain income limits. BEM 105, p. 1. The income limits vary by category and are for non-medical needs such as food and shelter. *Id.* Medical expenses are not used when determining eligibility for FIP and SSI related Group 1 categories. *Id.* For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 categories. *Id.*

To determine whether an individual is eligible for Group 1 or Group 2 MA, the individual's protected income level (PPI) must be determined. The PPI is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. BEM 544. If fiscal group has net income that is the same or less than the PPI, RFT 240, and then it will qualify for MA. If the net income is over the PPI, then the fiscal 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. BEM 545; 42 CRF 435.831.

The monthly protected income level for a Medical Assistance group of one living in Macomb County is \$408.00 per month. RFT 240. In determining net income the Claimant's net unearned income of \$1273 is reduced by the share of her income attributed to her child. This amount is determined by application of a formula set forth in Policy in BEM 536, page 3. The Net income is determined by dividing the countable unearned income by the prorate divisor, which is the number of dependents plus 2.9. In this case the prorate divisor is 3.9. ($\$1273 \div 3.9 = \326). The pro rate divisor result of \$326 is then multiplied by 2.9 which equals \$945, which is the net income attributable to the Claimant for determining the monthly medical deductible. The final calculation requires subtracting the protected income level of \$408 from the net income attributable to the Claimant from which yields a monthly deductible of \$537. The entire formula as set forth in BEM 536 was properly followed and applied by the Department and therefore must be upheld.

In the present case, claimant's net income of \$945 exceeds the monthly protected income level by \$537.00 per month. Claimant is consequently ineligible to receive Medical Assistance. However, under the deductible program, if Claimant incurs medical expenses in excess of \$537.00 during the month, she may then be eligible for Medical

assistance. The Department is also required to determine if Claimant is entitled to Medical assistance under any other programs. In this case, it was determined that the Claimant's eligibility was the most favorable under Group 2 FIP related MA.

Claimant argues that she is unable to pay the deductible per month for her medical expenses because of limited means. This Administrative Law Judge sympathizes with the Claimant, but does not have the jurisdiction to change or alter department policy and state law at this time. Therefore, the undersigned finds that the Department has acted in accordance with department policy and law in setting a deductible.

Accordingly, the Department's decision is AFFIRMED.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law finds the Department acted in accordance with department policy when it determined that the Claimant was not eligible to receive Medical assistance due to excess income and correctly calculated the Claimant's MA deductible. Accordingly, it is Ordered:

The Department's determination is AFFIRMED.



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

Date Signed: 07/13/2010

Date Mailed: 07/14/2010

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.

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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.

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