

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

IN THE MATTER OF:



Reg. No.: 201010015  
Issue No.: 2014  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: August 16, 2010  
Wayne County DHS (49)

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**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 August 16, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Manager, appeared and testified.

**ISSUE**

Whether DHS properly determined Claimant to be eligible for Medicaid subject to a monthly \$811 deductible.

**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 ongoing MA recipient.
2. Claimant is a disabled individual.
3. Claimant receives monthly Retirement, Survivors and Disability Insurance (RSDI) income of \$1206, \$733/month for being disabled and \$473/month in survivor income.
4. DHS redetermined Claimant's eligibility for MA benefits beginning 10/2009.

5. DHS redetermined Claimant's eligibility for MA benefits and terminated Claimant's ongoing Medicaid and determined that due to Claimant's income, Claimant was eligible for Medicaid subject to a monthly \$811 deductible.
6. Claimant requested a hearing on 10/28/09 disputing the DHS finding that she was no longer eligible for ongoing Medicaid.

### **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 (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 Reference Tables Manual (RFT).

The MA 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. A recipient who has excess income for Medicaid programs is not eligible for ongoing Medicaid.

A recipient with excess income for ongoing Medicaid may still be eligible for Medicaid under the deductible program. Clients with a Medicaid deductible may receive Medicaid 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 out-of-pocket medical expenses that equal or exceed the deductible amount for the calendar month.

Clients may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. BEM 105 at 2. As a disabled person, Claimant's most beneficial MA program is through Aged-Disabled Care (AD-Care).

Claimant's net income is determined by adding her total monthly income. Claimant receives a total of \$1206/month in RSDI income. \$20 is deducted as a disregard from Claimant's total income to determine net income. BEM 541 at 3. Claimant's net income is found to be \$1186/month; the same as calculated by DHS.

Income eligibility for AD-Care exists when net income does not exceed the income limit in RFT 242. BEM 163. The net income limit for AD-Care for a one person MA group is \$903/month. Claimant's net income (\$1186) exceeds the AD-Care income limits. It is

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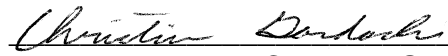
found that DHS properly determined Claimant to be ineligible for AD-Care based on excess income.

Claimant may still receive MA benefits subject to a monthly deductible through the Group 2 MA program. The deductible is calculated by subtracting Claimant's Protected Income Level (PIL) from Claimant's MA net income. The protected income level (PIL) is a set allowance for non-medical need items such as shelter, food and incidental expenses. Claimant's PIL is \$375. RFT 240. It is found that DHS properly calculated Claimant's deductible to be \$811/month.

**DECISION AND ORDER**

The actions taken by DHS are AFFIRMED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly determined Claimant's eligibility for MA benefits as Medicaid subject to a monthly \$811 deductible.

/s/

  
Christian Gardocki  
Administrative Law Judge  
For Ismael Ahmed, Director  
Department of Human Services

Date Signed: August 26, 2010

Date Mailed: August 26, 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.

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