

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: 2010-12379
Issue No: 2026
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
June 9, 2010
Ingham County DHS

ADMINISTRATIVE LAW JUDGE: Jana A. Bachman

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on June 9, 2010.

ISSUE

Whether the department properly determined claimant's eligibility for Medical Assistance (MA).

FINDINGS OF FACT

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

- (1) August 25, 2009, claimant applied for MA. She was on maternity leave from her place of employment. Her child had been born July 31, 2009. Department Exhibit A, pgs 8-23.
- (2) The department determined claimant to be eligible for full medical assistance benefits including two months post partum. Department Exhibit A, pg 2.

(3) September 9, 2009, the department sent claimant written notice that her assistance would be terminated.

(4) October 16, 2009, claimant reapplied for Medical Assistance. Exhibit A, pgs 24-39.

(5) October 16, 2009, a budget was prepared. Total countable income was [REDACTED] consisting of earned income converted to a standard monthly amount. A standard deduction was taken from earnings. Through a standard formula some income was allocated to each household member. After all allowable deductions were included claimant was found to have a monthly deductible of [REDACTED]. Department Exhibit A, pgs 4A-6.

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 (DHS or department) 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).

Department manuals provide the following policy statements and instructions for caseworkers:

When determining eligibility for MA, all income must be included that is not specifically excluded. Earned income is not excluded and must be counted. In this case, the MA program provides for a standard deduction from earnings of [REDACTED]. If the household member with earned income received Family Independence Agency (FIP) or low income family (LIF) MA benefits in at least one of the four months preceding the month for which eligibility is being determined, the

MA program provides for an additional deduction from earnings of [REDACTED] plus one third. A deduction may be taken for the cost of child care when necessary for a household member to work. A deduction up to [REDACTED] is permitted for guardianship or conservatorship fees. A percentage of income may be allocated to all dependents. Bridges Eligibility Manuals (BEM) 500, 536.

Federal regulations at 43 CFR 435.811, .814, .831(c)(i), and .1007 provide standards for MA eligibility. The department, in compliance with these regulations, have prepared income tables which are set forth at Program Reference Tables (RFT) 240 and establish a maximum countable income that an individual or family may have to qualify for MA. A family of three, living in [REDACTED] has a maximum allowable countable income to qualify for MA of [REDACTED]0 per month.

MA policy provides for additions to the maximal countable income. An addition is permitted if the individual or household pays health insurance premiums. Another addition may be made for allowable costs of remedial services. BEM 544; 42 CFR 435.811, .814, .831(c)(i), .1007, MCL 400.106, .107.

Deductible is a process through which a person or household with excess income may qualify for MA. Meeting a deductible means reporting and verifying all allowable medical expenses but equal or exceed the deductible for the calendar month being tested. The group must report their medical expenses by the last day of the third month following month it wants coverage. Medical expenses may be allowed when: (a) the expenses were incurred by an MA group member, and (b) the MA individual or household is responsible for payment, and (c) when the bills have not been previously used to meet a deductible. The medical bill may be an old or a new expense. Any of the following may be used to verify medical expenses: (a) bill from

medical provider, (b) receipt from medical provider, and (c) contract with medical provider or provider's billing service. BEM 545; 42 CFR 435.831(b)-(d); MCL 400.106, .107.

Third party payments from any liable party for medical services. They include payments from Medicare, other health insurance, or any payment a liable third party has made or will make. BEM545, 42 CFR 435.831(b)-(d); MCL 400.106, .107.

After careful examination of the record, the Administrative Law Judge decides that the department properly determined claimant's countable MA income, maximum countable income limits and that claimant has an MA monthly deductible. At hearing, claimant did not infer that any allowable additions to the Protected Income Level or deductions from income had not been properly included. Examination of the department documents reveals that all likely allowable deductions and additions have been accounted for. As such, the department has met its burden of proof and its actions must be upheld. Finding of Fact 1. 5.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the department acted in compliance with department policy when it determined claimant's eligibility for Medical Assistance.

Accordingly, the department's action is, hereby, UPHELD.

/s/ _____
Jana A. Bachman
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: Septembe 23, 2010

Date Mailed: September 30, 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 receipt 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.

JAB/db

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