

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: 2010-12386
Issue No: 2026
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
May 13, 2010
Genesee County DHS

ADMINISTRATIVE LAW JUDGE: Ivona Rairigh

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 May 13, 2010. Claimant personally appeared and testified.

ISSUE

Did the department correctly compute claimant's Medicaid (MA) eligibility by taking into account all of the medical bills that could be considered for meeting her MA deductible?

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 was on an MA deductible when she submitted medical bills from August, 2008 to August, 2009.
2. Claimant's caseworker entered a medical bill in the amount of \$1876 for the month of August, 2009, and MA coverage was allowed for the claimant for this month.

3. A subsequent review of claimant's case revealed that several other medical bills were received by the department but not input into the computer system, Bridges.

4. Department's Hearing Summary dated November 25, 2009 states that another worker has been assigned to review and input the bills based on date of service and the date received, after the claimant requested a hearing on October 27, 2009.

5. The Hearing Summary also states that the claimant was contacted for a pre-hearing conference and advised that another caseworker has been assigned to review her medical bills and she would receive a phone call from a manager in the first week of December, 2009, but she decided to proceed with the hearing.

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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

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. Medicaid is also known as Medical Assistance (MA). BEM 105.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- . There is no excess income, **or**
- . Allowable medical expenses equal or exceed the excess income (under the Deductible Guidelines). BEM 545.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. Income eligibility exists when net income does **not** exceed the Group 2 needs in BEM 544. BEM 166. The protected income level 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. An eligible Medical Assistance group (Group 2 MA) has income the same as or less than the “protected income level” as set forth in the policy contained in the RFT. 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. The deductible program 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 CFR 435.831.

Department had determined that the claimant has an MA deductible, which according to the hearing testimony is currently \$1269 per month. Claimant lives in [REDACTED] county, which is [REDACTED] per RFT 220. Claimant’s “protected income level” is \$408 per month per RFT 240. Claimant is also being given a deduction from income for payment of Medicare premiums of \$110.50 per month. However, department’s representative at the hearing states that there is no record of any action taken on claimant’s previously submitted medical bills that were supposed

to be addressed in the first week of December, 2009, after the department attempted to have the claimant withdraw her hearing request with the promise this would be done.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department failed to correctly determine claimant's MA eligibility, due to failure to address medical bills submitted by the claimant for meeting her MA deductible.

Accordingly, department is to:

1. Perform a review of claimant's case to insure her MA deductible amount is correct.
2. Determine if all of claimant's medical bills that she has submitted in year 2009 have been counted for meeting her MA deductible, if they are allowable under departmental policy.
3. Inform the claimant in writing of department's determination, including a detailed explanation of the deductible amount and medical bills that were or were not allowed for particular months.

SO ORDERED.

/s/

Ivona Rairigh
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: May 8, 2010

Date Mailed: May 19, 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.

IR/tg

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