

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.: 201012449  
Issue No.: 2015  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: August 5, 2010  
Macomb County DHS (12)

**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 5, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Manager, and [REDACTED], Specialist, appeared and testified.

**ISSUE**

Whether DHS properly denied Claimant's 7/9/09 application for Medical Assistance (MA) benefits for her child.

**FINDINGS OF FACT**

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

1. On 7/9/09, Claimant applied for MA benefits for her child, [REDACTED].
2. At the time of Claimant's application, Claimant received \$2692.30 in monthly employment income and \$666 in monthly unearned income.
3. At the time of Claimant's application, Claimant's spouse received \$1660 in monthly employment income.
4. Claimant and her spouse have three minor children.

5. On 8/3/09, DHS calculated [REDACTED] to be over-income for MA benefits. Exhibit 3.
6. Claimant requested a hearing on 10/5/09 disputing the DHS determination on her child's eligibility for MA benefits.

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

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them. BEM 105 at 1.

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 medical expenses that equal or exceed the deductible amount for the calendar month. BEM 545 at 9.

Persons 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.

In the present case, Claimant seeks MA benefits for a child under 18 years of age. Under such circumstances, the most beneficial MA categories for Claimant's child are through Healthy Kids (HK) and G2U (G2U).

DHS properly calculated the fiscal group net income to be \$6521/month. Income eligibility exists when fiscal group net income does not exceed 150% of the poverty level. The net income limit for Claimant's fiscal group is \$2289/month. RFT 246. It is found that DHS properly denied Claimant's child for HK benefits due to excess-income.

DHS did not consider Claimant's child's MA benefit eligibility through G2U. Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. BEM

132 at 2. BEM 544 defines the net income limit for eligibility based on the protected income level (PIL). The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. The PIL for Claimant's fiscal group is \$689/month.

Income eligibility exists for MA benefits through G2U exist when there is no excess income or allowable medical expenses equal or exceed the excess income. BEM 545 at 1. Though Claimant had excess income, DHS should have rendered a decision informing Claimant of her deductible amount so she could submit medical expenses to offset her the excess income for G2U eligibility. It is found that DHS improperly failed to issue a decision based on Claimant's G2U eligibility.

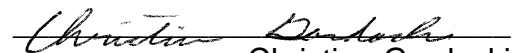
Though Claimant's child has excess income for ongoing Medicaid, Claimant has several other options. DHS testified that Claimant's child currently has an active MA benefits case allowing Medicaid subject to a deductible. Claimant can submit proof of the child's medical expenses to DHS to meet her deductible which may result in Medicaid for a limited period of time. Also, Claimant indicated that the child has psychological issues which could result in the child being disabled. It would be in Claimant's interest to apply for Social Security Administration benefits on behalf of the child. If approved by the Social Security Administration, Claimant may receive a monthly cash grant and automatic medical coverage. Lastly, Claimant indicated that her household income has significantly decreased since her 7/2009 application for MA benefits. Claimant can report changes in her household income to DHS to have the child's income-eligibility for ongoing Medicaid reevaluated.

### **DECISION AND ORDER**

The actions taken by DHS are partially AFFIRMED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly found that Claimant's fiscal group had excess income for MA benefits for Claimant's child.

The actions taken by DHS are partially REVERSED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly failed to consider Claimant's child eligible for Medicaid subject to a monthly deductible through the G2U program. It is ordered that DHS reinstate Claimant's 7/9/09 request for MA benefits and to determine whether Claimant's child is eligible for Medicaid subject to a monthly deductible.

/s/

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

201012449/CG

Date Signed: August 24, 2010

Date Mailed: August 24, 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.

CG/ hw

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