

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: 2010-31167  
Issue No: 2006  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
August 24, 2010  
Kent County DHS

ADMINISTRATIVE LAW JUDGE: Jay W. Sexton

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 August 24, 2010, in Grand Rapids. Claimant personally appeared and testified under oath.

The department was represented by Michael Brown (FIM).

The Administrative Law Judge appeared by telephone from Lansing.

ISSUE

Did the department correctly deny claimant's Medical Savings Program application (January 25, 2010) due to excess income?

FINDINGS OF FACT

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

- (1) On January 25, 2010, claimant applied for Medical Savings Plan benefits.

(2) Claimant reported the following income: RSDI (\$895.30 gross) and [REDACTED] (\$880, gross).

(3) On February 11, 2010, a caseworker prepared a Bridges eligibility budget and denied claimant's application due to excess income.

(4) Claimant was properly notified of the Medical Savings Program denial.

(5) At the hearing, the FIM "hand calculated" claimant's Medical Savings eligibility as follows:

Unearned income (RSDI)	\$895.20
Less: Standard deduction	<u>\$ 20.00</u>
Net unearned income	\$875.00
Earned income ([REDACTED])	\$880.00
Less: Earned income deductions	<u>\$473.00</u>
Net earned income	\$407.00
TOTAL BUDGETABLE INCOME (\$875 + \$407) =	\$1,282.00
Medical Savings income limit	\$903.00
Excess income	<u>\$379.00</u>

(6) Based on the sworn testimony presented at the hearing and the "hand calculated budget" prepared by the FIM, claimant had excess income. (PEM/BEM 165.)

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).

The department's income and eligibility policies provide for a MA budgeting system to determine MA eligibility. MA eligibility is calculated by the department's Bridges computer based on earned and unearned income. (PEM/BEM 165.)

The department's PEM/BEM provides that all earned and unearned income received by the household group must be counted for Medicaid eligibility purposes. PEM/BEM 165.

The budget prepared under the direction of the case manager (FIM) shows the correct deductions permitted by policy when computing MA eligibility. Claimant was given a \$20 standard deduction from her RSDI income and a \$473 deduction from her earned income.

Based on a careful review of the evidence in the record, the Administrative Law Judge concludes that claimant is not eligible for the Medicaid Savings Program due to excess income received in January 2010.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department correctly calculated claimant's Medical Savings eligibility for January 2010 and correctly allowed the claimant the earned and unearned income deductions to which she is entitled.

Based on the testimony in the record, the action taken by the department is, hereby, CORRECT.

Therefore, the department's actions are, hereby, AFFIRMED.

SO ORDERED.

/s/ \_\_\_\_\_  
Jay W. Sexton  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: September 7, 2010

Date Mailed: September 7, 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.

JWS/tg

cc:

