

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201041907
Issue No.: 2026
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: September 8, 2010
Wayne County DHS (18)

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 September 8, 2010. The claimant appeared and testified; [REDACTED] also appeared and testified on behalf of Claimant. On behalf of Department of Human Services (DHS), [REDACTED], Manager, appeared and testified.

ISSUE

Whether DHS properly determined Claimant's eligibility for Medical Assistance (MA) benefits as Medicaid subject to a monthly deductible of \$1115.

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 applied for MA benefits on 7/15/09.
2. Claimant is a disabled person receiving Retirement, Survivors, Disability Insurance (RSDI) income of \$1510/month.
3. DHS originally denied Claimant's request for MA benefits due to excess income.
4. On 3/25/10 Claimant submitted a hearing request disputing the denial of her MA benefits.

5. Following Claimant's hearing request, DHS amended their original decision and determined that Claimant was eligible for MA benefits subject to an \$1115/month deductible. Exhibit 1.
6. Claimant still disputes the amended DHS determination.

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).

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.

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.

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 for purposes of AD-Care is calculated by first determining her total monthly income. Claimant receives a total of \$1510/month in RSDI income. \$20 is deducted as a disregard from Claimant's total income to determine the net income amount. BEM 541 at 3. Claimant's net income is found to be \$1490/month; the same as calculated by DHS.

Income eligibility for AD-Care exists when net income does not exceed the income limit for the program. BEM 163. The net income limit for AD-Care for a one person MA group is \$903/month. RFT 242. Claimant's net income (\$1490) exceeds the AD-Care income limit. It is 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. Claimant's net income (\$1490) minus her PIL (\$375) results in a monthly deductible of \$1115, the same as calculated by DHS.

Though DHS had no basis for failing to originally evaluate Claimant's eligibility for Medicaid subject to a deductible, the subsequent determination finding Claimant eligible for MA benefits subject to a deductible was appropriate. It is found that DHS properly found Claimant eligible for Medicaid subject to an \$1115/month deductible.

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 calculated Claimant's eligibility for MA benefits as Medicaid subject to a monthly deductible of \$1115/month.

/s/



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

Date Signed: September 15, 2010

Date Mailed: September 15, 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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cc:

