

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

IN THE MATTER:

[REDACTED]

Reg No. 201049376
Issue No. 2026
Case No. [REDACTED]
Load No. [REDACTED]
Hearing Date: November 9, 2010
Calhoun 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, an in-person hearing was held on September 8, 2010.

ISSUE

Whether the Department of Human Services (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. March 18, 2010, claimant applied for MA benefits.
2. On or about April 2010, the department prepared an MA budget for the month of March 2010. Total countable income was [REDACTED] consisting of claimant's and claimant's spouse's monthly [REDACTED] benefits. A standard [REDACTED] exclusion was included. [REDACTED] was deducted from income due to claimant's payment of Medicare premium. Countable MA income after all allowable deductions was [REDACTED]. The Protected Income Level for a household of two living in [REDACTED] is [REDACTED]. MA income of [REDACTED] less the Protected Income Level of [REDACTED] leaves a monthly deductible of [REDACTED]. Department

conceded on the record that income figures were incorrect and were actually less than claimant received. Department Exhibit A, pgs 4-12.

3. On or about April 2010, the department prepared an MA budget for the month of April 2010 and after. Claimant's total countable income was [REDACTED] consisting of claimant's and claimant's spouse's [REDACTED] income. A standard [REDACTED] exclusion was included. [REDACTED] was deducted from income due to claimant's payment of Medicare premium. After all allowable deductions were included, claimant's countable MA was [REDACTED]. The Protected Income Level for a household of two living in [REDACTED] is [REDACTED]. Countable MA income of [REDACTED] less Protected Income Level of [REDACTED] leaves a monthly deductible of [REDACTED]. Claimant conceded on the record that income figures for April were correct. Department Exhibit A, pgs 4-12.
4. April 19, 2010, the department sent claimant written notice of her March deductible and her April and ongoing deductible. Department Exhibit A, pg 1-3.

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 Program Reference Manual (PRM).

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

When determining eligibility for MA, the household's total income must be evaluated. All earned and unearned income of each household member must be included unless specifically excluded. Social Security benefits and pension income are not excluded and must be counted when determining MA eligibility. The MA program provides for a standard \$20 exclusion from unearned income. \$65 plus half of earned income is deducted. A deduction may be included for expenses that enable an impaired or blind person to work and for guardianship or conservatorship fees. An allocation from income may be made to non-SSI children living with the household. Bridges Eligibility Manual (BEM) 500, 541.

Federal regulations at 42 CFR 435.811, .814, .831(C)(I), and .1007 provide standards for MA eligibility. The department, in compliance with these regulations, has prepared income tables that are set forth at Reference Table (RFT) 240 and specify the amount of income a household may have to qualify for MA. These maximum income limits are referred to as the Protected Income Levels (PIL). MA policy provides for additions to the PIL. An addition is allowed if the individual or household must pay health insurance premiums. An addition may be made for the cost of remedial services. BEM 544.

Monthly deductible is a process by which a person or household with excess income may qualify for MA coverage. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the monthly deductible amount for the calendar month being tested. The group must report expenses by the last day of the third month following the month it wants MA coverage. Medical expenses may be allowed when: (a) the expenses are incurred by an MA group member; AND (b) the MA individual or household is responsible for payment, AND (c) when they have not previously been used to meet a monthly deductible. The bills may be old or new expenses. BEM 545.

Medicare Savings Programs are SSI-related MA categories. Persons qualifying for one of the Medicare Savings Programs may be eligible to have Medicare premiums, Medicare co-insurances, and Medicare deductibles paid. To qualify for GMB Medicare Savings Program, net income cannot exceed 100 percent of poverty. To qualify for SLMB Medicare Savings Program, net income is over 100 percent of poverty, but not over 120 percent of poverty. To qualify for ALMB, net income is over 120 percent of poverty, but not over 135 percent of poverty. BEM 165; Social Security Act Sections: 1902(a)(10)(I)(i) for GMB. 1902(a)(10)(E)(iii) for SLMB. 1902(a)(10)(E)(iv) for ALMB. 1902(r)(2); 2905(a) for retro MA; 1933 for ALMB funding.

Effective April 1, 2009, 100 percent of the poverty level for a household of two is \$1,215.00. For SLMB, the income limits are \$1,216.00-\$1,457.00. For ALMB, the income limits are \$1,458.00-\$1,640.00. Reference Table (RFT 242).

In this case, the Administrative Law Judge has examined the record and the department policy and finds that the department correctly calculated claimant's countable income and Protected Income Level. A household of two living in [REDACTED] with countable income for MA purposes of [REDACTED] and a Protected Income Level of [REDACTED] 0 has a monthly deductible of [REDACTED]. The household does not qualify for any Medicare Savings Program. Finding of Fact 1-4. Therefore, the department's action must be upheld.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services acted in

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compliance with department policy when it determined claimant's eligibility for Medical Assistance benefits.

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: December 10, 2010

Date Mailed: December 13, 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.

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