

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.: 201050479
Issue No.: 2026
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: November 24, 2010
Office: Macomb County DHS (36)

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 November 24, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, [REDACTED], Specialist, and [REDACTED], Manager, appeared and testified.

ISSUE

Whether DHS properly terminated Claimant's Medical Assistance (MA) benefits after discovering an agency-error which, when corrected, made Claimant ineligible for MA benefits.

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 an ongoing MA recipient.
2. DHS opened Claimant's MA benefits on the belief that Claimant was a disabled individual by receiving Retirement, Survivors, Disability Insurance (RSDI) income based on being disabled.
3. Claimant was receiving RSDI income but it was on the basis that Claimant was a retired individual.

4. DHS determined that Claimant was eligible for Medicaid subject to a \$1435/month deductible effective benefit month 7/2010.
5. As of 7/2010, Claimant was between the ages of 62-65 years of age.
6. DHS redetermined Claimant's ongoing MA benefits on the basis that Claimant was not a disabled individual and determined that Claimant was not eligible for future MA benefits.
7. On 7/8/10, DHS mailed Claimant a Notice of Action terminating Claimant's MA benefits effective 8/2010 on the basis that Claimant was not an individual who qualified for MA benefits.
8. On 7/8/10, Claimant requested a hearing disputing the termination of MA benefits.

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.

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.

Claimant is a non-caretaker/non-parent, not pregnant and over 21 years of age. Claimant is not eligible for any MA programs where eligibility is based on pregnancy, parental-status or being under 21 years of age.

DHS offers MA for persons who are considered aged or disabled through Aged/Disability Care (AD-Care). BEM 163 at 1. The requirements for AD-Care are outlined in BEM 163. Aged SSI-Related Persons (including those MA programs covered by BEM 163, the AD-Care chapter of policy) require that the individual be age 65 or

older. BEM 240 at 2. Claimant is not yet 65 years of age. Thus, Claimant is not currently eligible for AD-Care based on his age.

Claimant may still qualify for MA benefits through AD-Care if he meets the requirements to be a disabled individual. The following circumstances meet the definition of disabled individual: death (considered disabled in month of death), eligibility for Supplemental Security Income (SSI), recent eligibility for SSI, receipt of RSDI based on disability, a DHS determination that Claimant is disabled or receipt of RSDI based on disability following a DHS denial of MA benefits based on a determination that the client was not disabled. BEM 260 at 1 and 2.

Though Claimant receives RSDI income, Claimant receives the income based on his age, not based on disability. DHS incorrectly initially determined that Claimant received RSDI income based on disability and accordingly issued Claimant MA benefits through AD-Care. DHS must take immediate action to correct an over-issuance of benefits. BAM 700 at 8. Thus, there is no entitlement for clients to continually receive benefits that were mistakenly issued.


Claimant did not allege that he was disabled on his initial application for MA benefits. Had Claimant done so, DHS may have been required to make a determination as to whether Claimant was disabled. However, without Claimant asserting that he was disabled, DHS had no reason to make a disability determination. It is found that DHS correctly found that Claimant was not entitled to MA benefits through AD-Care.

The only MA program for which Claimant could have qualified was Adult Medical Program (AMP) benefits. DHS specialists must determine if there is an enrollment freeze in effect prior to determining whether clients are eligible for AMP benefits. AMP 640 at 1. Applications received during the AMP freeze on enrollments are to be registered and denied using "applicant did not meet other eligibility requirements" as the denial reason. *Id.* Claimant's application for MA benefits was submitted during a time DHS had a freeze on AMP enrollments. There was also a freeze on AMP enrollments when DHS terminated Claimant's MA benefits. Thus, Claimant was not eligible for AMP benefits either when he applied or when DHS terminated Claimant's MA benefits.

It is found that Claimant does not meet the non-financial eligibility requirements for any MA program. Accordingly, DHS properly terminated Claimant's MA benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly terminated Claimant's MA benefits beginning 8/2010. The actions taken by DHS are AFFIRMED.


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

Date Signed: December 2, 2010

Date Mailed: December 2, 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 60 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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