

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: 2010-6996

Issue No: 2006

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

March 2, 2010

Otsego 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, a telephone hearing was held on March 2, 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) June 17, 2009, claimant applied for MA.
- (2) July 14, 2009 the department prepared an MA budget. Claimant's total income consisted of \$951 Social Security benefits. A standard [REDACTED] exclusion was included leaving

countable income for MA purposes of [REDACTED]. The Standard Protected Income Level for claimant's household size is [REDACTED], leaving a monthly deductible of [REDACTED]

(3) July 14, 2009, the department sent claimant written notice that her application was approved with a [REDACTED] monthly deductible. Department Exhibit A, pgs 1-6.

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).

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

When determining eligibility for MA, 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 are not excluded and must be counted when determining MA eligibility. The MA program provides for a standard \$20 exclusion from unearned income. A deduction may be included for expenses that enable an impaired or blind person to work and for guardianship or conservatorship fees. Bridges Eligibility Manual (BEM) 500, 541.

Federal regulations at 42 CFR 435.881, .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. MA policy provides for additions to the Protected Income Level. An addition is allowed if the individual or household pays health insurance premiums. An addition may also 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) They have not previously been used to meet a monthly deductible. The bills may be old or new expenses. BEM545.

In this case, the Administrative Law Judge has examined the record and department policy and finds that the department correctly calculated claimant's countable MA income and MA Protected Income Level. An individual residing in [REDACTED] with countable income for MA purposes of [REDACTED] and a Protected Income Level for MA purposes of [REDACTED] has a monthly deductible of [REDACTED]. 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 that the Department of Human Services acted in 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: March 19, 2010

Date Mailed: March 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 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.

JAB/db

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