

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: 2010-8016

Issue No: 2026

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

April 1, 2010

Ionia County DHS

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

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 hearing was held on April 1, 2010. Claimant appeared and testified.

ISSUE

Did the Department of Human Services properly determine the deductible amount for Claimant's Medical Assistance (MA) eligibility?

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's Medical Assistance (MA) case was due for re-determination by September 30, 2009.

(2) On August 4, 2009, Claimant submitted required information and verifications for the re-determination.

(3) On August 24, 2009, the BRIDGES computer program determined Claimant's Medical Assistance (MA) eligibility. Claimant was sent a Notice of Case Action (DHS-1605) which stated Claimant's benefit group: was no longer eligible for Transitional MA (TMA) after 9/30/09; was eligible for Transitional MA Plus (TMA-Plus) a medical insurance program available through the Department of Community Health; that Cassidy Rowland was eligible for a \$ [REDACTED] deductible case under Group 2 under 21 Medicaid; and that Claimant and her husband were eligible for a \$ [REDACTED] deductible case under Group 2 caretaker relative Medicaid.

(4) On September 28, 2009, Claimant submitted a request for hearing.

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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

In her request for hearing Claimant raised several issues about more than one type of medical coverage. The only hearable issue in the Department of Human Services arena is the deductible amount for the group under their respective Group 2 Medicaid programs.

The financial eligibility budget used in the Department's determination was discussed and the only issue Claimant raised was use of her husband's overtime pay in the budget. Three of Claimant's husband's weekly pay stubs were submitted. Of the three weeks one showed [REDACTED] hours worked, the second showed [REDACTED] hours, and the third was [REDACTED] hours.

Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

MA INCOME BUDGETING

DEPARTMENT POLICY

MA except Healthy Kids and TMA-Plus

Use this item for any person whose income is considered in determining income eligibility or a post-eligibility patient-pay amount. See "Exception" below.

Exception: See BEM 531 for Healthy Kids budgeting policy. See BEM 647 for TMA-Plus budgeting policy.

BUDGETS

Determine income eligibility and post-eligibility patient-pay amounts (PPA) on a calendar month basis. Use one budget to determine income eligibility (or post-eligibility PPA) for multiple months if the circumstances for each of the months are identical.

Document budget computations. MA worksheets and LOA2 are available. See BEM 549.

Applicants and Deductible Cases

Determine income eligibility in calendar month order beginning with the oldest month. This is especially important when determining eligibility for a pregnant woman or using medical expenses to determine Group 2 income eligibility.

In addition, do a future month budget to determine ongoing income eligibility, deductible status or post-eligibility PPA when a change in circumstances occurred in the processing month or a change is anticipated for the future month. For example:

- Client started a job and will get his first pay next month.
- A group member moved out of the client's home during the processing month.
- Client was admitted to, or discharged from, an LTC facility during the processing month.

Exception: See BEM 125 for special income eligibility policy for pregnant women.

MA Recipients and Deductible Cases

For a recipient, do a future month budget at redetermination and when a change occurs that may affect eligibility or a post-eligibility PPA.

For a deductible client, do a future month budget at redetermination and when a change occurs that may affect deductible status.

Exception: See BEM 125 for special income eligibility policy for pregnant women.

COUNTABLE INCOME

Use only countable income. Countable income is income remaining after applying MA policy in BEM 500. Also see “**COUNTABLE INCOME**” in BEM 546 for post-eligibility patient-pay amount computations.

AVAILABLE INCOME

Use only available income. Available means income which is received or can reasonably be anticipated. Available income includes amounts garnished from income, joint income, and income received on behalf of a person by his/her representative. See BEM 500 for details.

AVERAGED INCOME

For FIP-related MA budgets, average income received in one month which is intended to cover several months. Divide the income by the number of months it covers to determine the monthly available income. The average amount is considered available in each of the months.

For SSI-related MA budgets, average only self-employment income. Convert self-employment income which is received less often than monthly to a monthly amount based on past and/or estimated future proceeds and allowable expenses.

NON-AVERAGED INCOME

Budget non-averaged income for the month in which it was/will be received/available.

Exception: When doing a future month budget, do not budget income from an extra check (example: fifth check for a person who is paid weekly).

BUDGET MONTH INCOME

Past Month

Non-averaged income: Use amounts actually received/available in the past month.

Averaged income: Use the monthly average amount if this month is one of the months used to compute the average.

Processing Month

Non-averaged income: Use amounts already received/available in the processing month. In addition, estimate amounts likely to be received/available during the remainder of the month. See “**PROSPECTING INCOME**” below.

Averaged income: Use the monthly average amount if this month is one of the months used to compute the average.

Future Month

Non-averaged income: Use amounts that will be, or are likely to be, received/available in the future month. See “**PROSPECTING INCOME**” below.

Exceptions:

- Do not budget an extra check (example, fifth check for person paid weekly). If prospecting income based on bi-weekly or twice a month payments, multiply by 2. If prospecting income based on weekly pay, multiply by 4.
- Base estimate of daily income (example: insurance pays \$40 for every day in hospital) on a 30-day month.

When the amount of income from a source changes from month to month, estimate the amount that will be received/available in the future month.

Averaged income: Use the monthly average amount if this month is one of the months used to compute the average.

PROSPECTING INCOME

Prospecting income means arriving at a best estimate of the person's income. Prospect income when you are estimating income to be received in a processing or future month. Your best estimate may not be the exact amount of income received.

Some of the reasons income fluctuates is because:

- The number of hours worked in a month may fluctuate.
- The amount of tips may vary from payday to payday.

Use the following guidelines for prospecting income:

- For fluctuating earned income, use the expected hourly wage and hours to be worked, as well as the payday schedule, to estimate earnings.
- Paystubs showing year-to-date earnings and frequency of pay are usually as good as multiple paystubs to verify income.
- A certain number of paystubs is not required to verify income. If even one paystub reflects the hours and wages indicated on the application, that is sufficient information.
- If a person reports a pay rate change and/or an increase or decrease in the number of hours they usually work, use the new amount even if the change is not reflected on any paystubs.
- If you have an opportunity to talk with the client, that may help establish the best estimate of future income.

Note: Do not require in-person interviews as a condition of eligibility. (BEM 530)

The use of the three paystubs resulted in a monthly budget amount of \$ [REDACTED]. The computer program took the average of the three checks to calculate a fourth weekly check amount. It is noted that the three paystubs include a year to date of gross wages. The year to date amount on the pay check for pay period ending June 27, 2009 was divided by 6 and yielded an average monthly income of \$ [REDACTED]. The math indicates that the pay checks submitted understate Claimant's husband's average income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services properly determined the deductible amounts for Claimant's Medical Assistance (MA) eligibility.

It is ORDERED that the actions of the Department of Human Services, in this matter, are UPHELD.

/s/ _____
Gary F. Heisler
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: April 13, 2010

Date Mailed: April 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.

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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.

GFH/alc

cc:

