

STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No: 201116231  
Issue No: 2026  
Hearing Date: May 26, 2011  
Kent County DHS

**ADMINISTRATIVE LAW JUDGE:** Janice G. Spodarek

**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 May 26, 2011

**ISSUE**

Did the DHS properly calculate claimant's deductible?

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. On October 31, 2010, the DHS received updated information regarding claimant's [REDACTED].
2. The department budgeted the new amount resulting in a higher deductible for claimant.
3. Claimant does not dispute the gross [REDACTED] income or the change.
4. The resulting deductible is now [REDACTED] per month.
5. On October 30, 2010, the DHS issued notice informing claimant of the increase in the deductible effective December 1, 2010.
6. On November 19, 2010, claimant filed a hearing request.
7. Claimant's deductible creates a significant strain on claimant's budget.

## **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 BRIDGES Reference Manual (BRM).

Deductible or the old “spend-down” policy states in part:

### **MA GROUP 2 INCOME ELIGIBILITY**

#### **Deductible**

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred.

#### **Active Deductible**

Open an MA case **without ongoing Group 2 MA coverage** on CIMS as long as:

- . The fiscal group has excess income, **and**
- . At least one fiscal group member meets all other Group 2 MA eligibility factors.

Such cases are called active deductible cases. Periods of MA coverage are added on CIMS each time the group meets it deductible.

#### **Deductible Period**

Each calendar month is a separate spend-down period.

#### **Deductible Amount**

The fiscal group’s monthly excess income is called a deductible amount. BEM 545, pp. 8-9.

The group must report expenses by the last day of the third month following the month for which it wants MA coverage. BAM 130 explains verification and timeliness standards. BEM, Item 545. p. 9.

**Redetermination**

You must redetermine eligibility for active deductible cases at least every 12 months unless the group has not met its deductible within the past three months. BEM, Item 545, p. 9.

Under BEM Item 400, the department is required to count the gross amount of RSDI income in the MA deductible budget.

Other applicable policy is found in BEM Items 541, 544, 545, 546.

In this case, unrefuted evidence on the record is that the department correctly budgeted claimant's gross amount in calculating claimant's spend-down allotment. The items for both income and deductions for the budget was reviewed at the administrative hearing. The parties did not offer anything into evidence that would change the calculation of the deductible.

The purview of an Administrative Law Judge is to review the department's actions and to make a determination if those actions are correct under policy and procedure. The undersigned Administrative Law Judge has reviewed the policy as applied to these facts, and finds that the department correctly calculated claimant's deductible. Thus, the department's calculation 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's actions were correct.

Accordingly, the department's calculation of claimant's deductible is UPHELD.

/S/

Janice G. Spodarek  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: June 3, 2011

Date Mailed: June 3, 2011

**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.

JGS/db

cc:

