

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

IN THE MATTER OF:



Reg. No: 2011 1712  
Issue No: 2015; 2026  
Case No: [REDACTED]  
Hearing Date:  
January 12, 2011  
Macomb County DHS (36)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 January 12, 2011. The Claimant appeared and testified. Karen Brink, Assistant Payments caseworker, and Geri Mrlik, FIM appeared on behalf of the Department.

ISSUE

Was the Claimant's medical spend down deductible properly computed?

FINDINGS OF FACT

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

1. The Claimant was a recipient of FAP and MA benefits. The Claimant is eligible for medical assistance subject to a spend down amount as a FIP related Group 2 caretaker. The Claimant has a medical spend down in the amount of \$188.
2. On September 7, 2010, the Claimant emailed the Department with regard to changes in household size. Exhibit 1

3. The Claimant got married on [REDACTED].
4. As a result of her marriage, the Claimant's household income changed. The Claimant's spouse receives unemployment benefits in the amount of \$183 weekly. Exhibit 2
5. On September 8, 2010, the appropriate changes were made to the Claimant's benefits and new budgets were completed. A notice of case action was sent to Claimant on September 8, 2010, reflecting the changes made to the Claimant's benefits. Exhibit 5
6. Prior to the hearing on September 29, 2010, the Claimant advised the Department by email that she no longer wished to proceed with hearing regarding a review of her food assistance benefit amount. Exhibit 7
7. The Claimant was issued a Medicaid spend down of \$188 beginning October 1, 2010. Exhibit 3
8. The income parameter limit (protected income level) used by the Department to determine the spend down amount was \$541. The protected income level is correct for a group of 2 persons living in Macomb County as per RFT 240.
9. The household net income was \$732. The household income of \$729 as included in the MA spend down budget was not correct. Exhibit 4
10. The household income of \$729 and contained in the Budget as calculated by the Department is off by \$3.00 and is incorrect and the spend down budget must be recalculated.
11. The Claimant requested a hearing protesting the changes to her medical spend down. The hearing request was received October 12, 2010.

## CONCLUSIONS OF LAW

### MEDICAL SPENDDOWN

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 Program Reference Manual (PRM).

The Claimant and her spouse both are eligible and receive Group 2 FIP related medical assistance subject to a spend down amount of \$188. The determination of income is governed by BEM 536. The Claimant's adult fiscal group consists of the Claimant and her spouse. The fiscal group composition is determined by BEM 211, page 5. The determination of the group's budgetable income is determined by consulting BEM 536 which requires the application of a series of steps to determine total net income and thus the proper spend down amount.

In this case, the Claimant questions the Department's calculation of her Medical deductible. The undersigned has reviewed the MA budget of November 1, 2010 and finds that the Department did not properly include the correct amount of Claimant's unearned income. The claimant's spouse receives unemployment benefits in the amount of \$183 per week which amounts to \$732 per month. ( $\$183 \times 4 = \$732$ ). BEM 505 page 6. The spend down budget as prepared by the Department listed income of \$729. After a review of the budget it is determined that the budget as calculated by the Department contains an error in the amount of the unearned income and must be recomputed.

The claimant's protected income limit is \$541 and was correctly determined by the Department and was used by the Department in determining the deductible spend down amount. RFT 240.

The protected income level is deducted from net income to get the remaining deductible spend down amount. The protected income limit of \$541.00 when deducted from the correct income will result in an increase in the deductible amount by \$3.00 and equals a \$191 deductible. ( $\$732 - \$541 = \$191$ ).

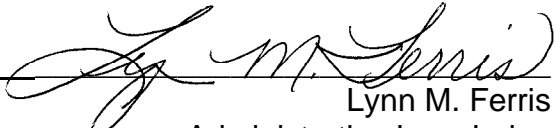
This ALJ sympathizes with the claimant but there is nothing that can be done to change the above equation. As the Administrative Law Judge has reviewed the medical assistance spend down budget and finds that the Department's computation of the budget is in error and must be re computed.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department's determination of the Medical Spend down amount of \$188 is in error and is REVERSED.

Accordingly, it is ORDERED:

1. The Department shall recompute the Claimant's Medical Assistance budget and include the correct unearned income amount of \$732.

  
Lynn M. Ferris  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 02/15/11

Date Mailed: 02/16/11

**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.

LMF/dj

cc:

