

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2011-26422  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: June 14, 2011  
DHS County: Wayne (82-55)

**ADMINISTRATIVE LAW JUDGE:** Yasmin Elias

**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 conducted from Detroit, Michigan, on Tuesday, June 14, 2011. The Claimant appeared and testified on his own behalf. The Claimant's daughter, [REDACTED], also appeared and assisted the Claimant by interpreting from [REDACTED]. [REDACTED], appeared on behalf of the Department of Human Services ("Department").

**ISSUE**

Whether the Department properly processed the Claimant's Medical Assistance ("MA" or "Medicaid") application of October 1, 2010?

**FINDINGS OF FACT**

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

1. The Claimant applied for MA on or before October 1, 2010.
2. The Claimant is part of a benefit group of two people that includes his wife.
3. Claimant receives Retirement Survivor Disability Insurance ("RSDI") in the amount of \$708 per month.
4. Claimant's wife receives Unemployment Compensation Benefits ("UCB") in the amount of \$520 every two weeks, or \$1040 per month.

5. The Claimant's wife's UCB benefits ended as of October 26, 2010, and were not considered as part of the Claimant's current household income which was used to determine his eligibility for MA.
6. In March 2011, the Department determined that the Claimant is eligible for MA with a Medicaid deductible of \$1,228.00 per month. The Department further determined that the Claimant is eligible for MA with a Medicaid deductible of \$1,112.00 per month effective May 1, 2011.

### **CONCLUSIONS OF LAW**

The MA program is established by the Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations. The Department (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 Bridges Reference Manual ("RFT").

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105. Medicaid is also known as Medical Assistance. BEM 105. The Medicaid program is comprised of several categories: one category is for Family Independence Program ("FIP") benefit recipients while another is for Social Security Insurance ("SSI") benefit recipients. BEM 105. Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI programs and are, thus, categorized as either FIP-related or SSI-related. BEM 105. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. BEM 105.

In determining budgetable income for group 2 FIP-related and Healthy Kids MA benefits, the Department is required to use a multi-step process, which includes consideration of each fiscal group member's income and the application of certain deductions. BEM 536. FIP and SSI-related Group 2 eligibility is possible even when net income exceeds the income limit because incurred medical expenses are considered. BEM 105. Eligibility is determined on a calendar month basis. BEM 105. MA income eligibility exists for the calendar month tested when there is no excess income or allowable medical expenses that equal or exceed the excess income. BEM 545. The fiscal group's monthly excess income is called a deductible amount. BEM 545. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. *Id.*

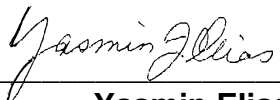
In this case, the Claimant seeks review of his Medicaid deductible amount. After the Department identified the income figures that were considered by the Department when it arrived at a deductible amount, namely, RSDI monthly benefits in the amount of \$708 and Claimant's spouse's monthly UCB benefits in the amount of \$1,040, the Claimant verified that the figures were correct.

Based on a review of the record evidence, there is no indication that the Department erred in calculating the Claimant's MA deductible amount. The Department correctly concluded that the Claimant's household received unearned income in the total amount of \$1,748, and correctly subtracted \$20.00 as an unearned income general exclusion. After deducting insurance premiums in the amount of \$115, the Department concluded that the claimant's countable income was \$1,612. The Department then subtracted \$500 as the protected income limit, arriving at a deductible amount of \$1,112.00, the amount communicated to the Claimant.

Such deductible amount should decrease substantially, if not completely, once the Claimant's spouse's UCB benefits expire and, accordingly, that portion of the group's unearned income is reduced, decreasing the group's countable income. The Claimant is therefore urged to communicate such an event to the Department as soon as it occurs, so that his monthly MA deductible amount may be recalculated at that time.

**DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, AFFIRMS the Department's calculation of the Claimant's monthly medical deductible amount in the amount of \$1,112.00.

  
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**Yasmin Elias**  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: June 27, 2011

Date Mailed: June 30, 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

2011-26422/YE

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.

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