

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201127747  
Issue No.: 2015  
Case No.: [REDACTED]  
Hearing Date: May 16, 2011  
Macomb County DHS (20)

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**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 held on May 16, 2011. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED] Specialist, and [REDACTED] Manager, appeared and testified.

**ISSUE**

Whether DHS properly determined Claimant's children's eligibility for Medical Assistance (MA) benefits as Medicaid subject to a \$2328 deductible.

**FINDINGS OF FACT**

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

1. Claimant's children were ongoing MA benefit recipients receiving Medicaid.
2. Claimant is part of a four person household which included Claimant's spouse and two minor children, one of which had special needs.
3. Claimant's review application listed a gross monthly employment income of \$4000 per month.
4. DHS redetermined Claimant's children's eligibility for MA benefits as Medicaid subject to some unspecified deductible.
5. In response to the DHS redetermination decision, Claimant submitted gross biweekly employment check stubs to DHS with the following pay amounts: \$1820 on 3/11/11 and \$1760.50 on 3/25/11.

6. On an unspecified date, based on the check stubs submitted by Claimant, DHS determined Claimant's children eligible for Medicaid subject to a \$2328/month deductible effective 3/2011
7. On 3/21/11, Claimant requested a hearing to dispute the failure by DHS to approve her children for Medicaid.

### **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 (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 Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

The Medicaid program is comprised of several sub-programs which fall under one of two categories; one category is FIP-related and the second category is SSI-related. BEM 105 at 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. *Id.*

The only category relevant in the present case is eligibility through Other Healthy Kids (OHK) through FIP-Related MA benefit eligibility. The issue involves Claimant's children's income-eligibility for OHK.

For income eligibility for OHK, DHS is to apply MA policies in BEM 500, 531, and 536 to determine net income. BEM 131 at 2. Income eligibility exists when net income does not exceed 150% of the poverty level. *Id.*

In the present case, the undersigned will examine the second determination made by DHS concerning eligibility for OHK. The second determination was more favorable to Claimant because it involved a lower deductible. Also, it is the determination which reflects Claimant's children's ongoing benefit eligibility.

The net income calculation starts with determining the group's gross monthly income. DHS based the MA benefit group's income on two biweekly employment check stubs for Claimant's spouse. DHS is to convert the pay-period amount to a monthly amount by multiplying biweekly income by two. BEM 531 at 4.

In the present case, DHS multiplied Claimant's spouse's average biweekly income by two which is appropriate for fluctuating biweekly income. Claimant's spouse's average income was \$1790.25 resulting in a monthly income of \$3580 (dropping cents).

DHS properly applied a \$90 disregard bringing the income amount down to \$3490. This figure is divided by the sum of 2.9 and Claimant's number of dependents (three based on Claimant's two minor children and spouse). Dividing \$3490 by 5.9 creates a prorated share of income of \$591 for Claimant's children's father. That number is multiplied by 2.9 to create the child's share of the father's income; that amount is \$1713. The father's and child's share of income is added together (\$591+\$1713) to make a total of \$2304. This income is added to the couple's share of each other's income (\$591 because the mother has zero income) to make a total net income of \$2895. The net income limit for a three person OHK group is \$2757. RFT 246 at 1. It is found that DHS properly determined Claimant to have excess income for OHK.

Claimant's children can still receive Medicaid through G2U (for being under 21 years of age). The net income calculation for G2C is the same as OHK. The income limit for a four person MA group is \$593. RFT 240. DHS inexplicably used a determination for a three person MA benefit group. The amount that Claimant's total net income exceeds the income limit (\$593) is the amount of Claimant's children's deductible. It is found that Claimant's children are properly eligible for Medicaid subject to a \$2302/month deductible

Claimant raised several arguments during the hearing, none of which were relevant to the DHS decision. Claimant contended that when her child had Medicaid, he was eligible for Children's Special Health Services Care (CSHSC). Claimant's contention is unsupported by DHS policy. CSHSC appears to be a program available to parents of special needs children. A child with Medicaid may be eligible for CSHSC services, but it has no effect on whether a child is income eligible for Medicaid. Claimant's contention that the program is funded by the State of Michigan is simply irrelevant to the DHS determination.

Also, CSHSC is a program offered through the Department of Community Health (DCH). DCH allows for administrative hearings of their decisions. Note that DCH and DHS are both State of Michigan agencies, but they are separate agencies. A dispute of a DHS decision does not entitle Claimant to dispute a DHS decision. Claimant may request a hearing specifically concerning the termination of CSHSC with DCH.

There are some other relevant issues to the eligibility determination that Claimant should note. First, by having an ongoing MA deductible case, Claimant can always report a change in income to DHS for a new determination of eligibility. Secondly, DHS factors dependent care expenses in the OHK determination (see BEM 536). It would be beneficial of Claimant to report and verify even the smallest of dependent care expenses to DHS. This credit may make a significant difference in the OHK budget.

Claimant's most reasonable argument was that it is unreasonable to expect a four person household to afford private health insurance for a special needs child based on the income involved in the present case. Though the undersigned may heartily agree with Claimant, the jurisdiction of the undersigned is limited to determine whether DHS properly determined MA eligibility based on prescribed income limits; the undersigned has no authority to change those income limits.

Also, the DHS calculations determined MA benefits based on a three person, not a four person MA group. There was no evidence supporting why DHS did not calculate eligibility based on a four person group. Accordingly, the decision is reversed based on group composition, however, a proper determination would not alter the OHK denial or significantly alter the calculated deductible.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly determined Claimant's children's eligibility for G2U benefits. It is ordered that DHS:

- redetermine Claimant's children's MA benefit eligibility based on a four person MA benefit group barring some reason DHS determined MA benefits based on a three person group; and
- adjust Claimant's children's Medicaid deductible accordingly.

The actions taken by DHS are REVERSED.



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Christian Gardocki  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: 5/26/11

Date Mailed: 5/26/11

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**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.

CG/DJ

cc:

[REDACTED]