

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

**IN THE MATTER OF:**



Reg. No.: 2011-30619  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: July 6, 2011  
DHS County: Wayne (82-17)

**ADMINISTRATIVE LAW JUDGE:** Colleen M. Mamelka

**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 Wednesday, July 6, 2011. The Claimant appeared and testified. [REDACTED] translated the Claimant's testimony. [REDACTED] appeared on behalf of the Claimant.

**ISSUE**

Whether the Department properly determined the Claimant's Medical Assistance ("MA") 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. The Claimant is a MA recipient.
2. The Claimant's spouse has earnings from employment in the amount of \$300.00/week.
3. The Claimant does not have income.
4. The Claimant's group consists of a spouse and 5 children.
5. Effective April 2011, the Claimant's MA deductible was \$233.00/month. (Exhibit 1)

6. On April 6, 2011, the Department notified the Claimant of the determination.
7. On April 11, 2011, the Department received the Claimant's timely written request for hearing.

### **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 (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 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 ("MA"). BEM 105. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for Social Security Income ("SSI") recipients. BEM 105. A fiscal group is established for each person requesting MA and budgetable income is determined for each fiscal group member. BEM 536. A multi-step process is utilized when determining a fiscal group member's income. BEM 536.

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. Having a deductible allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545. Each calendar month is a separate deductible period. BEM 545. The group must report expenses by the last day of the third month following the month for which it seeks MA coverage. BEM 545.

In this case, the evidence provided that the Claimant's spouse earns \$300.00 per week. In determining monthly gross income for MA purposes, prospective budgeting is not utilized. BEM 530. Instead, the weekly amount is multiplied by 4 (versus 4.3). The spouse's monthly gross earnings are \$1,200.00. Following the steps contained in BEM 536, \$90.00 is deducted, then another \$30.00, minus 1/3 to arrive at \$720.00. After this point, the number of dependents (under the age of 18) living with the fiscal group member is determined. BEM 536. This number is added to 2.9 to determine the prorate divisor. The \$720.00 is then divided by the prorate divisor to determine the fiscal group member's income. BEM 536. There was no evidence that the Claimant had income of her own; yet, when arriving at net income, the budget reflects income for

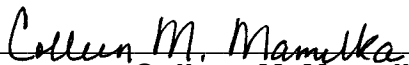
the Claimant, as opposed to her prorated share of her spouse's income. It further appears that the incorrect prorate divisor was used. In following the process, it is found that the Department erred in determining the Claimant's deductible. Accordingly, the Department's actions are not upheld.

**DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds the Department erred when calculating the Claimant's deductible.

Accordingly, it is ORDERED:

1. The Department's deductible determination is REVERSED.
2. The Department shall recalculate the MA deductible in accordance with this decision and notify the Claimant of the determination in accordance with Department policy.

  
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**Colleen M. Mamelka**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: July 19, 2011

Date Mailed: July 19, 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.

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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.

CMM/pf

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