

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

**IN THE MATTER OF:**



Reg. No.: 2011-31385  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: June 16, 2011  
DHS County: Wayne (82-35)

**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 Thursday, June 16, 2011. The Claimant appeared and testified. [REDACTED] appeared on behalf of the Department of Human Services ("Department"). [REDACTED] observed the proceedings.

**ISSUE**

1. Whether the Department properly terminated the Claimant's Transitional Medical Assistance ("TMA") benefits effective January 1, 2011?
2. Whether the Department used the correct income when calculating the Claimant's Group 2 Caretaker Relatives Medicaid deductible effective January 1, 2011?

**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 Medicaid ("MA") recipient.
2. In November 2010, the Claimant was receiving MA benefits under the TMA category.
3. At this time, the Claimant received unemployment compensation benefits ("UCB") in the bi-weekly amount of \$354.00.

4. Included in the UCB bi-weekly amount was the \$25.00/weekly federal stimuli as a result of the American Recovery and Reinvestment Act ("ARRA").
5. On December 14, 2010, the Department notified the Claimant that her TMA benefits would close effective January 1, 2011. (Exhibit 1)
6. On this same date, the Department notified the Claimant that she was approved for MA, based on her status of a caretaker relative, with a deductible of \$74.00/month effective January 1, 2011. (Exhibit 1)
7. On December 28, 2010, the Department received the Claimant's written request for hearing protesting the change in her MA categories.

### **CONCLUSIONS OF LAW**

The Medical Assistance program is established by Subchapter XIX of Chapter 7 of The Public Health & Welfare Act, 42 USC 1397, and is administered by the Department, formerly known as the Family Independence Agency, 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"). The Adult Medical Program ("AMP"), the Low Income Family ("LIF"), and the Medicaid based on having a minor child(ren) in the home, are part of the MA program. BEM 640; BEM 110; BEM 113.

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. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. 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. 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. BEM 105.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 105. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. The income limit, which varies by category, is for non-medical needs such as food and shelter. BEM 105. Medical expenses are not used when determining eligibility for FIP-related and SSI-related Group 1 categories. BEM 105. For Group 2, eligibility is possible when net income exceeds the income limit. BEM 105. This is because incurred medical

expenses are used when determining eligibility for FIP-related and SSI-related Group 2 Categories. BEM 105.

LIF and TMA are FIP-related Group 1 MA categories. BEM 111. TMA eligibility is considered only after LIF coverage ends. BEM 111. TMA is available for up to 12 months when ineligibility for LIF relates to income from employment of a caretaker. BEM 111. Group 2 caretaker relative MA is available to parents and other caretaker relatives provided eligibility factors are met. BEM 135. In this category, income eligibility exists for the calendar month tested when there is no excess income or allowable medical expenses that equal or exceed excess income. BEM 545. The fiscal group's monthly excess income is called a deductible amount. BEM 545. 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. 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 it seeks MA coverage for. BEM 545.

All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500. Prospective income is income not yet received but expected. BEM 505. Prospective budgeting is the best estimate of the client's future income for future benefits. BEM 505. All income is converted to a monthly amount. BEM 505. A standard monthly amount must be determined for each income source used in the budget. BEM 505. Weekly benefit amounts are converted to a monthly amount by multiplying the weekly amount by 4.3. BEM 505. Bi-weekly amounts are converted by multiplying the amount by 2.15. BEM 505.

On February 11, 2010, the Field Operations Administration issued a memorandum to the Department specifically stating that the \$25.00 federal weekly unemployment ARRA is disregarded when determining MA eligibility. (See L-10-015.) The \$25.00 disregard was in effect until December 31, 2010.

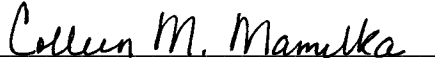
In this case, at one point, the Claimant received Medicaid under the LIF program. Subsequently, the Claimant's net income exceeded the LIF eligibility requirements. As a result, the Claimant became eligible under the TMA program. As noted above, TMA is available for up to 12 months. In December 2010, as the 12 month period was about to end, the Department reviewed the Claimant's case to determine eligibility under other Medicaid program(s). At that time, the Claimant was receiving UCB in the bi-weekly amount of \$354.00. This amount included the \$25.00/weekly federal stimuli as a result of the ARRA.

On December 14, 2010, the Department issued the Notice of Case Action informing the Claimant that her TMA would terminate effective January 1, 2011. Effective this date, the Claimant was eligible for Medicaid under the Group 2 caretaker relative category. Under this program, the Claimant's income was necessary to determine eligibility. During the hearing, the Claimant asserted that the Department improperly included the \$25.00 federal weekly supplement. As noted above, the Department's disregard of the federal supplement ended effective December 31, 2010. In processing the case, the Department determined that the Claimant's monthly income was \$760.00. In prospective budgeting, the Department multiplied the Claimant's bi-weekly benefit amount of \$354.00 (which correctly included the \$25.00/weekly supplement) by 2.3 which equals \$761.10. The \$1.10 difference is harmless error as the impact on the deductible is minimal, if at all, and the lower monthly income used in determining eligibility benefited the Claimant. Due to the income, the Claimant's deductible amount was properly calculated as \$74.00/month. Ultimately, the Department established it acted in accordance with Department policy when it terminated the Claimant's TMA benefits after the expiration of the 12-month period and properly approved the Claimant under the Group 2 caretaker relative category with a \$74.00/month deductible. Accordingly, the Department's determination is AFFIRMED.

**DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds the Department established it acted in accordance with Department policy when it terminated the Claimant's TMA coverage and activated MA under the Group 2 caretaker relative category which includes a deductible.

Accordingly, the Department's determination is AFFIRMED.

  
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**Colleen M. Mamelka**  
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

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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.

CMM/pf

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