

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

IN THE MATTER OF THE CLAIM OF:

[REDACTED]

Reg. No.: 2011-32880
Issue No.: 2026; 3000
Case No.: [REDACTED]
Hearing Date: June 8, 2011
Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Susan Burke

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 June 8, 2011. The Claimant appeared and testified. [REDACTED] ES, appeared on behalf of the Department of Human Services (Department).

ISSUE

Was the Department correct in its decision to impose a deductible of \$451.00 for Claimant's Medical Assistance (MA) case?

Was the Department correct in its calculation of Claimant's Food Assistance Program (FAP) grant?

FINDINGS OF FACT

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

1. Claimant was an ongoing recipient of MA and FAP.
2. Claimant received \$556.00 every two weeks in unemployment benefits.
3. Claimant's son received \$276.00 per month in SSI, plus a supplement of \$14.00.
4. The Department determined that Claimant was entitled to \$103.00 in FAP benefits and that Claimant's MA case was subject to a \$451.00 deductible.
5. Claimant requested a hearing regarding FAP and MA.

6. At the hearing, Claimant stated she was no longer contesting the amount of FAP benefits.

CONCLUSIONS OF LAW

MEDICAL ASSISTANCE

The Medical Assistance (MA) or Medicaid 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), which includes Reference Tables (RFT).

The goal of the MA program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM105.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- There is no excess income, **or**
- Allowable medical expenses equal or exceed the excess income (under the deductible guidelines.) BEM 545.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. Income eligibility exists when net income does **not** exceed the Group 2 needs in BEM 544 BEM 166. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. BEM 544. An eligible Medical Assistance group (Group II MA) has income the same as or less than the “protected income level” as set forth in the policy contained in the program reference table.

An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However, an MA group may become eligible for assistance under the deductible program. A deductible is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group’s monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of

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the third month following the month it wants medical coverage. BEM 545; 42 CF R 435.831.

The monthly protected income level for a Medical Assistance group of one living in Wayne County is \$375.00 per month. RFT 200, 240.

With regard to Claimant's MA case, Claimant's net income of (\$826.00) exceeds the monthly protected income level (\$375.00) by \$451.00 per month. Claimant is consequently ineligible to receive Medical Assistance. However under the deductible program, if the claimant incurs medical expenses in excess of \$451.00 during the month she may then be eligible for Medical Assistance. Claimant argues that she is unable to afford the medical deductible because of limited means. This Administrative Law Judge does sympathize with Claimant in this instance, but does not have the prerequisite jurisdiction to change or alter Department policy and State law at the present time. It is noted that Claimant stated that she does not use her son's income for the household. However, the calculation of the MA deductible does not consider her son's income. This ALJ finds that the Department has acted in accordance with Department policy and law in imposing the stated deductible.

FOOD ASSISTANCE PROGRAM

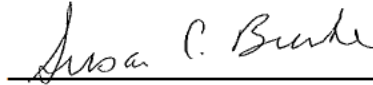
The regulations governing hearings and appeals for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code. MAC R 400.901-.951. MAC R 400.903 reads, in part:

An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied or is not acted upon with reasonable promptness, and to any recipient who is aggrieved by a Department of Human Services [department] action resulting in suspension, reduction, discontinuance, or termination of assistance.

In the present case, Claimant stated at the hearing that she was no longer objecting to the actions of the Department with regard to her FAP case.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department's decision to impose a deductible of \$451.00 in her MA case was correct, and it is therefore ORDERED that the Department's decision is AFFIRMED. It is further ORDERED that the matter regarding Claimant's FAP case is DISMISSED pursuant to MAC R 400.903.



Susan Burke
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: 6/17/11

Date Mailed: 6/17/11

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 60 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt of the rehearing decision.

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