

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2011-34308  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: July 5, 2011  
DHS County: Wayne (82-17)

**ADMINISTRATIVE LAW JUDGE:** Andrea J. Bradley

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge upon the Claimant's request for a hearing made pursuant to Michigan Compiled Laws 400.9 and Michigan Compiled Laws 400.37, which govern the administrative hearing and appeal process. After due notice, a telephone hearing was conducted from Detroit, MI, on Tuesday, July 5, 2011. The Claimant appeared and testified. [REDACTED] translated the Claimant's testimony. [REDACTED] appeared on behalf of the Department of Human Services (Department).

**ISSUE**

Whether the Department properly calculated 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 an MA recipient.
2. The Claimant's group size is two.
3. The Claimant receives Retirement, Survivor, Disability, Insurance (RSDI) income in the amount of \$1,237.00 per month.
4. At redetermination, the Department calculated the Claimant's MA eligibility and found him entitled to benefits provided a \$552.00 monthly deductible is met. (Exhibit 1)

5. On July 22, 2010, the Department notified the Claimant of the MA deductible. (Exhibit 1)
6. On July 27, 2010, the Department received the Claimant's timely written request for hearing. (Exhibit 1)

### **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 (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 Table 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 MA. BEM 105. The Medicaid program is comprised of several categories; one category is for Family Independence Program (FIP) recipients while another is for Social Security Income (SSI) recipients. BEM 105. Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program 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. 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 155 through 174 discuss SSI-related categories. BEM 105. Financial eligibility for Group 1 exists when countable income minus allowable expenses equals or is below certain income limits. 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. BEM 545. FIP- and SSI-related Group 2 eligibility is possible even when net income exceeds the income limit because incurred medical expenses are considered. BEM 545. Eligibility is determined on a calendar month basis. BEM 105. Individuals who are aged (65 or older), blind or disabled fall under the SSI-related Group 2 MA category. BEM 166. The gross RSDI benefit amount is counted as unearned income. BEM 500.


In this case, the Claimant was found entitled to MA benefits based on disability. As a result, the Department ran an MA budget which included the \$1,237.00 monthly RSDI income for Claimant and his wife. As a result of the income, the Claimant was no longer eligible to have his Medicare Part B premiums paid and is, thus, not eligible under the Ad-Care program. The Department entered the Claimant's information into the Bridges system and the Claimant was found eligible for MA provided the \$552.00 monthly deductible was met. The Claimant agreed with the income figure used in calculating his MA deductible but disagreed with having a deductible case. During the hearing, it was explained that the Claimant only had to establish that the medical expenses were incurred and not necessarily paid for prior to the activation of MA coverage. Ultimately, the Department established that it acted in accordance with Department policy when it calculated the Claimant's MA deductible. Accordingly, the Department's determination is affirmed.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds the Department established it acted in accordance with Department policy when it calculated the Claimant's MA deductible.

It is ORDERED:

The Department's MA determination is AFFIRMED.

  
**Andrea J. Bradley**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: July 13, 2011

Date Mailed: July 14, 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.

AJB/pf

cc:

