

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011-3687
Issue No.: 2000, 2026
Case Nos.: [REDACTED]
Hearing Date: January 27, 2011
DHS County: Wayne (82-49)

ADMINISTRATIVE LAW JUDGE: Susan C. 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 telephone hearing was held on January 27, 2011. Claimant appeared and testified. The Department of Human Services (Department) was represented by [REDACTED] and [REDACTED].

ISSUE

Did the Department correctly calculate Claimant's Medical Assistance (MA) spend-down?

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 was an ongoing MA recipient.
2. Claimant received Unemployment benefits in the amount of \$362.00 per week, receiving an amount of \$724.00 every two weeks.
3. The Department re-determined Claimant's case on October 13, 2010, and determined that Claimant qualified for MA Caretaker with a medical spend-down (deductible) of \$700.00 per month, using a gross monthly unearned income figure of \$1,556.00.
4. On October 25, 2010, Claimant requested a hearing, contesting the spend-down amount.

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 Program Reference Manual (PRM), which includes the Reference Tables (RFT).

BEM 505, pp. 1 and 6, instruct: for FIP, SDA, RAP, CDC and FAP, multiply amounts received every two weeks by 2.15 to determine a standard monthly income amount.

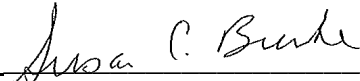
In the instant case, per the Department's Hearing Summary (Exhibit 1), the Department based its MA deductible calculation on a gross monthly unearned income of \$1,556.00. However, to arrive of the figure of \$1,556.00, a factor of 2.15 would have to be applied to Claimant's unearned income of \$724.00 every two weeks. The 2.15 factor is not to be used in MA calculations. BEM 505. This Administrative Law Judge cannot find that the Department acted in accordance with Department policy and law in determining Claimant's medical spend-down as it applied FIP, SDA, RAP, CDC and FAP instructions to this MA case. In addition, the Department could not explain at hearing why the figure of \$1,075.00 was used as net income in its budget. (Exhibit 3.)

I note that Claimant was satisfied with the MA coverage for [REDACTED], her son.

Claimant also raised the issue of FAP benefits for the first time at hearing, but that issue was not raised in her hearing request, so it was not addressed at hearing. It is noted that Claimant may request a hearing on FAP at any time.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds that the Department did not correctly calculate Claimant's MA spend-down and it is, therefore, ORDERED that the Department's decision is REVERSED. It is further ORDERED that the Department recalculate Claimant's spend-down amount as of its October 13, 2010, redetermination date. It is further ORDERED that the issue of MA coverage for Claimant's son, [REDACTED], is hereby DISMISSED.



Susan C. Burke
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: February 3, 2011

2011-3687/SCB

Date Mailed: February 7, 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.

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.

SCB/pf

cc:

