

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: 2011-4308

Issue No: [REDACTED]

Case No: [REDACTED]

Load No:

Hearing Date:

February 17, 2011

Kalkaska County DHS

ADMINISTRATIVE LAW JUDGE: Jay W. Sexton

**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 in Kalkaska on February 17, 2011. Claimant personally appeared and testified under oath.

The department was represented by [REDACTED] (Program Manager) and [REDACTED] (FIS).

The Administrative Law Judge appeared by telephone from Lansing.

**ISSUE**

Did the department correctly compute claimant's MA-Healthy Kids eligibility for November 2010?

**FINDINGS OF FACT**

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

- (1) (1) In September 2010, claimant received MA-Healthy Kids for herself and her two minor children.
- (2) (2) On September 9, 2010, claimant's husband, [REDACTED] moved into claimant's household.

- (3) In September 2010, [REDACTED] had monthly UCB income of \$1,150; claimant had monthly self-employment income of \$120. The total monthly income for the household was \$1,430.
- (4) DHS prepared a Bridges budget as follows:  
  
Total Net Income--\$1,430;  
MA Income Limit--\$475;  
MA Deductible/Spend-down--\$955.
- (5) On September 28, 2010, DHS notified claimant (DHS-1605) that she was eligible for MA-Healthy Kids with a monthly deductible for November of \$955. Claimant's two minor children were approved for MA-Healthy Kids with a deductible of zero.
- (6) On October 14, 2010, claimant requested a hearing.

### **CONCLUSIONS OF LAW**

The Medical Assistance (MA) 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 (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Michigan provides Medicaid for eligible persons under two broad classifications: Group I is for those persons who are eligible because they receive FAP/FIP or SSI. Group II is for those persons whose eligibility results from their level of need. These persons are referred to as medically needy persons. MCL 400.16; PEM 105. Claimant falls under the Group II classification.

The department's BEM Manual provides the policies for determining MA Group II eligibility.

#### **MA GROUP II INCOME ELIGIBILITY**

##### **DEDUCTIBLE/SPEND-DOWN**

**DEDUCTIBLE** is a process which allows a client with excess income to become eligible for Group II MA if sufficient allowable medical expenses are incurred.

In order to qualify for Group II MA, the medically needy person must have income equal to or less than the protected income level (also known as medical needs). The income limits is the amount of income which the state allows each applicant to use for her/his

nonmedical needs, excess shelter, food and incidental expenses. In all cases, except those involving long-term care, the appropriate protected income level is taken from PRT 240.

To determine whether claimant is eligible for Group II MA, only income available to fiscal group on a monthly basis may be considered. Certain deductions are allowed. The amount remaining after these deductions is MA budgetable income. MA income is then compared to the income limit to determine whether or not Group II eligibility exists. BEM 545.

Income eligibility for MA exists when the fiscal group has no monthly excess income. Per MA applicants, income eligibility exists on the first day of the month in which monthly excess income for MA purposes is zero.

Persons who have excess income for MA purposes may still qualify for MA if they have incurred medical expenses. The department will apply current medical expenses to reduce income for eligibility purposes. If the cost of medical care incurred by the fiscal group is less than their excess income, the group is not eligible for MA.

The preponderance of the evidence in the record establishes that the department correctly budgeted claimant's income and correctly set her deductible for November 2010 at \$955. Claimant did not submit any medical bills for November which could be used to meet her deductible.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department correctly calculated claimant's November 2010 deductible amount (\$955).

Accordingly, the department's action is, hereby, AFFIRMED.

SO ORDERED.

/s/\_\_\_\_\_

Jay W. Sexton  
Administrative Law Judge  
For Maura D. Corrigan, Director  
Department of Human Services

Date Signed: March 23, 2011

Date Mailed: March 23, 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 receipt 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.

JWS, [REDACTED]

cc: [REDACTED]