

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

IN THE MATTER OF THE CLAIM OF:

[REDACTED]

Reg. No.: 20114310  
Issue No.: 2026  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: February 7, 2011  
Wayne County DHS

**ADMINISTRATIVE LAW JUDGE:** Aaron McClintic

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge upon pursuant to MCL 400. 9; MCL 400.37 upon Claimant's request for a hearing. After due notice, a telephone hearing was held on February 7, 2011. The Claimant appeared and testified. [REDACTED], FIM and [REDACTED], ES appeared on behalf of the Department.

**ISSUE**

Was the Department correct in determining Claimant's MA benefits?

**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 a Medicaid recipient.
- (2) Claimant receives RSDI benefits of \$1740 monthly.
- (3) The Department determined that Claimant had a \$1345 Medicaid deductible.
- (4) Claimant requested a hearing on October 25 2010 contesting the amount of his Medicaid deductible.

**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 (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).

The Medical Assistance program was designed to assist needy persons with medical expenses. The State of Michigan has set guidelines for income, which determines if a MA group falls within the needy classification. Under PEM Items 544 and 545, an eligible Medical Assistance group (Group II MA) has income the same as or less than the “protected income level” plus medical insurance premiums 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 a 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 the third month following the month it wants medical coverage. PEM 545; 42 CFR 435.831.)

In the present case, Claimant is contesting the deductible amount for his MA benefits. In determining net income, a standard deduction of \$20 is deducted for SSI-related Medical Assistance recipients (disabled). Claimant’s RSDI benefit is \$1740, after subtracting \$20 his net income is \$1720. Claimant’s net income, \$1720, exceeds the monthly protected income level of \$375 by \$1345 per month. Claimant is consequently ineligible to receive Medical Assistance. However, under the deductible program, if the Claimant incurs medical expenses in excess of \$1345 during the month, he may then be eligible for Medical Assistance. This ALJ finds that the Department has acted in accordance with Department policy and law in denying ongoing Medical Assistance and determining his deductible amount.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law decides that the department was correct in the determination of MA benefits, and

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it is ORDERED that the Department's decision in this regard be, and is, hereby AFFIRMED.



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Aaron McClintic  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: February 15, 2011

Date Mailed: February 15, 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.

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cc:

