

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.: 2011-4344  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: January 27, 2011  
DHS County: Wayne (82-17)

**ADMINISTRATIVE LAW JUDGE:** Aaron McClintic

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was held on January 27, 2011. Claimant appeared and testified. [REDACTED] appeared on behalf of the Department of Human Services (Department).

**ISSUE**

Was the Department correct in determining Claimant's Medical Assistance (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. On September 20, 2010, the Department determined that Claimant had a \$671 deductible for the MA program.
2. Claimant receives \$762 unearned income from Social Security benefits.
3. Claimant receives \$304 in long-term disability benefits.
4. Claimant requested a hearing on October 20, 2010, contesting the determination of MA benefits.

## **CONCLUSIONS OF LAW**

The 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 (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 MA program was designed to assist needy persons with medical expenses. The State of Michigan has set guidelines for income, which determine if an MA group falls within the needy classification. Under BEM Items 544 and 545, an eligible MA 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, 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 the third month following the month it wants medical coverage. BEM 545; 42 CFR 435.831.

In the present case, Claimant is contesting the deductible amount for his MA benefits. Claimant receives \$762 gross per month in Social Security benefits and \$304 in long-term disability. After subtracting \$20 for the general exclusion, the Department determined that Claimant had a net income of \$1,046, which exceeds the monthly protected income level for a one-person household of \$375 by \$671 per month. Claimant was consequently ineligible to receive MA. However, under the deductible program, if Claimant incurs medical expenses in excess of \$671 during the month, he may then be eligible for MA. This Administrative Law Judge finds that the Department has acted in accordance with Department policy and law in denying Claimant’s ongoing MA 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 Claimant's MA deductible amount, and it is ORDERED that the Department's decision is hereby AFFIRMED.



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

Date Signed: January 31, 2011

Date Mailed: February 1, 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.

AM/pf

cc:

