

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201146254  
Issue No: 2026  
Hearing Date: October 11, 2011  
Wayne County DHS (District #19)

**ADMINISTRATIVE LAW JUDGE:** Janice G. Spodarek

**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 October 11, 2011.

**ISSUE**

Did the Department of Human Services (DHS) process claimant's MA spend-down case?

**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 June 13, 2011, claimant applied for MA with the Michigan DHS. Claimant did not apply for SDA or Medicaid disability.
2. The department processed claimant's case based upon a household income of [REDACTED] and a group size of four.
3. The department calculated a [REDACTED] deductible for June, 2011; [REDACTED] for July, 2011 and continuing.
4. On June 30, 2011, the DHS issued notice of the spend-down amounts.
5. On July 6, 2011, claimant requested a hearing.
6. Claimant has earned income.
7. Claimant cannot afford her spend-down.

8. Claimant does not dispute the income or deductions used on the spend-down budget.

### **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 BRIDGES Administrative Manual (BAM), the BRIDGES Eligibility Manual (BEM) and the BRIDGES Reference Manual (BRM).

Applicable policy and procedure is found in BAM Item 600, BEM Item 135, 211, 501, 503, 530, 544, 545, and 546. This policy states in part:

#### **MA GROUP 2 INCOME ELIGIBILITY**

##### **Deductible**

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred.

##### **Active Deductible**

Open an MA case **without ongoing Group 2 MA coverage** on CIMS as long as:

- . The fiscal group has excess income, **and**
- . At least one fiscal group member meets all other Group 2 MA eligibility factors.

Such cases are called active deductible cases. Periods of MA coverage are added on CIMS each time the group meets it deductible.

##### **Deductible Period**

Each calendar month is a separate spend-down period.

##### **Deductible Amount**

The fiscal group's monthly excess income is called a deductible amount. BEM 545, pp. 8-9.

The group must report expenses by the last day of the third month following the month for which it wants MA coverage. BAM 130 explains verification and timeliness standards. BEM, Item 545. p. 9.

**Redetermination**

You must redetermine eligibility for active deductible cases at least every 12 months unless the group has not met its deductible within the past three months. BEM, Item 545, p. 9.

The department is required to count the gross amount of earned income pursuant to BEM Item 500.

At the administrative hearing, claimant did not dispute the amount of income as it was calculated and/or the deductions on the MA budget. Rather, claimant argued that she is basically disabled, that she was working in pain, "It is unfair and I don't ask for cash but my work is cut in half and I cannot afford the spend-down."

There is no reason to believe that claimant can afford the spend-down. However, claimant makes an equitable argument. Administrative Law Judges have no jurisdiction to grant benefits where an individual is not otherwise eligible based upon the eligibility criteria.

After careful review of the substantial and credible evidence on the whole record, this Administrative Law Judge finds that the department's actions were correct under its policy and procedure. As such, the department's calculation of claimant's spend-down must be upheld.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department's actions were correct.

Accordingly, the department's actions are UPHELD.

/S/ \_\_\_\_\_  
Janice G. Spodarek  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: October 13, 2011

Date Mailed: October 13, 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.

JGS/db

cc:

