

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201146453
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: October 20, 2011
County: Macomb County DHS (12)

ADMINISTRATIVE LAW JUDGE: Andrea J. Bradley

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on October 20, 2011, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant's authorized hearing representative (AHR) [REDACTED], and a witness for the Claimant, [REDACTED]. Participants on behalf of Department of Human Services (Department) included [REDACTED], Eligibility Specialist and [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly determine that the Claimant was required to pay a Medical Assistance (MA) deductible before full MA benefits would be authorized?

Did the Department properly calculate the amount of the Claimant's MA deductible based on the Claimant being a resident of a group home?

FINDINGS OF FACT

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

1. The Claimant is a MA recipient.
2. The Claimant's group size is one.
3. The Claimant resides at a group home facility.

4. The Claimant receives Retirement, Survivor, Disability, Insurance (RSDI) income in the amount of \$1028.00.
5. The Department determined that it incorrectly allowed for payment of the deductible at the first of the month as if this was a chore services case, but this case does not involve chore services.
6. The Department calculated the Claimant's MA eligibility and found her entitled to benefits provided a \$600.00 monthly deductible is met.
7. On July 14, 2011, the Department received the Claimant's timely written request for hearing protesting the amount of the deductible and manner in which it is met.

CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

The Food Assistance Program (FAP) [formerly known as the Food Stamp (FS) program] is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3001 through R 400.3015.

The Medical Assistance (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 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.

The Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 ACS, R 400.3151 through R 400.3180.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001 through R 400.5015.

Additionally, the goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105 Medicaid is also known as Medical Assistance (MA). BEM 105. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105. Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program thus are categorized as either FIP-related or SSI-related. BEM 105. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. BEM 105. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive MA under FIP-related categories. BEM 105.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 155 through 174 discuss SSI-related categories. BEM 105. Financial eligibility for Group 1 exists when countable income minus allowable expenses equals or is below certain income limits. BEM 105. MA income eligibility exists for the calendar month tested when there is no excess income or allowable medical expenses that equal or exceed the excess income. BEM 545 The fiscal group's monthly excess income is called a deductible amount. BEM 545. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545. FIP- and SSI-related Group 2 eligibility is possible even when net income exceeds the income limit because incurred medical expenses are considered. BEM 545. Eligibility is determined on a calendar month basis. BEM 105 Individuals that are aged (65 or older) blind or disabled fall under the SSI-related Group 2 MA category. BEM 166. The gross RSDI benefit amount is counted as unearned income. BEM 500.

In this case, the Claimant was found entitled to MA benefits based on disability. As a result, the Department ran an MA budget which included the \$1028.00 monthly RSDI income for Claimant. As a result of the income, the Claimant was no longer eligible to have her Medicare Part B premiums paid, and thus not eligible under the Ad-Care program. The Department entered the Claimant's information into the Bridges system and the Claimant was found eligible for MA provided the \$600.00 monthly deductible was met. The Claimant agreed with the income figure used in calculating her MA deductible but disagreed with having a deductible case. During the hearing, it was explained that the Claimant only had to establish that the medical expenses were incurred and not necessarily paid for prior to the activation of MA coverage.

The Claimant's AHR also took issue with the change in the manner in which the deductible is currently being met. The Department testified that, prior to the Department system conversion, the Claimant's case was incorrectly coded as a chore services case. In chore services cases the Claimant's deductible is automatically met on the first day of the month. There was no dispute from the parties that the Claimant's case was not a chore services case. Therefore, the Claimant must meet her deductible as set forth in the above -policy.

The Claimant further disputed the coding of the Claimant's case as an institution instead of a group home. The Department has an obligation to correctly code the case as a group home, however, this is not reversible error in this case, because the change in coding would not change the amount of the deductible or how the deductible is met, if required to be met.

Ultimately, the Department established that it acted in accordance with Department policy when it calculated the Claimant's MA deductible. Accordingly, the Department's determination is affirmed.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department

did act properly when it determined that this a MA deductible case that could not be treated as a chore service case. did not act properly when .

Accordingly, the Department's AMP FIP FAP MA SDA CDC decision is AFFIRMED REVERSED for the reasons stated on the record.



Andrea J. Bradley
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 12/29/11

Date Mailed: 12/29/11

NOTICE: Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases)

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
 - misapplication of manual policy or law in the hearing decision,
 - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
 - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at
Michigan Administrative Hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

AJB/hw

cc:

