

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.: 20116299  
Issue No.: 2026  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: January 31, 2011  
Wayne County DHS

**ADMINISTRATIVE LAW JUDGE:** Susan C. Burke

**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 31, 2011. The Claimant was represented by his mother, [REDACTED]. Eligibility Specialist [REDACTED] represented the Department of Human Services (Department.)

**ISSUE**

Did the Department correctly calculate Claimant's Medical Assistance (MA) spend down?

**FINDINGS OF FACT**

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

- 1.) Claimant was an ongoing MA recipient.

- 2.) Claimant's MA coverage changed from MA Healthy Kids when he turned twenty years of age.
- 3.) Claimant received \$1,126.00 in RSDI income through his father.
- 4.) Claimant paid \$220.50 in medical insurance premiums in the determination period.
- 5.) On October 18, 2010 the Department determined that Claimant qualified for MA for persons under age twenty-one, with a deductible of \$530.00.
- 6.) Claimant requested a hearing, contesting the deductible.

### **CONCLUSIONS OF LAW**

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. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

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. Medicaid is also known as Medical Assistance (MA).BEM105.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

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- There is no excess income, or
- Allowable medical expenses equal or exceed the excess income (under the deductible guidelines.) BEM 545.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544 . PEM 166 The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. BEM 544. An eligible Medical Assistance group (Group II MA) has income the same as or less than the “protected income level” 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.)

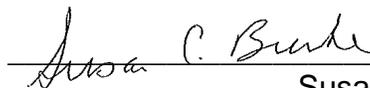
The monthly protected income level for a Medical Assistance group of one living in Wayne county is \$375.00 per month. RFT 200, 240.

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In the present case, Claimant's net income of \$905.50 is derived from his gross unearned income of \$1,126.00 less insurance premiums of \$220.50. (Exhibit 3.) Claimant's net income of \$905.50 exceeds the monthly protected income level \$375.00 by \$530.50 per month. Claimant is consequently ineligible to receive Medical assistance. However under the deductible program, if the Claimant incurs medical expenses in excess of \$530.00 during the month he may then be eligible for Medical Assistance. Claimant argues, through his representative, that he is unable to pay the deductible per month for his medical expenses because of limited means. This Administrative Law Judge does sympathize with the Claimant in this instance, but does not have the prerequisite jurisdiction to change or alter Department policy and state law at the present time. This ALJ finds that the Department has acted in accordance with Department policy and law in calculating Claimant's MA spend down.

**DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law finds that the Department was correct in its calculation of Claimant's MA spend down, and it is therefore ORDERED that the Department's decision is AFFIRMED.

  
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Susan C. Burke  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: February 9, 2011

Date Mailed: February 9, 2011

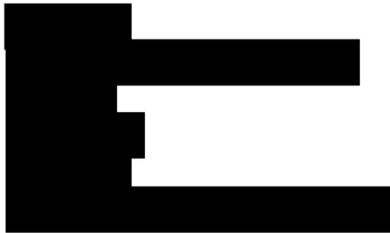
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**NOTICE:** Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 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.

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