

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011-17506
Issue No.: 2019
Case No.: [REDACTED]
Hearing Date: April 28, 2011
DHS County: Macomb (50-36)

ADMINISTRATIVE LAW JUDGE: Jan Leventer

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to Michigan Compiled Laws (MCL) 400.9 and 400.37 and Claimant [REDACTED] request for a hearing. After due notice, a hearing was held on February 24, 2011, at the DHS Macomb County Sterling Heights District Office. Claimant appeared and testified. [REDACTED] appeared and testified for Claimant. [REDACTED] and [REDACTED], appeared and testified on behalf of the Department of Human Services (DHS).

ISSUE

Whether DHS calculated Claimant's Medical Assistance (MA or Medicaid) Patient Pay Amount (PPA or spend-down) in accordance with DHS policy and procedure?

FINDINGS OF FACT

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

1. On October 4, 2010, Claimant applied for MA benefits with DHS.
2. Claimant was approved for MA by the DHS Medical Review Team.
3. Claimant's family income is \$1,632, and after the \$20 unearned income standard deduction and a deduction of her \$96.50 Medicare insurance premium, Claimant's countable income for MA program purposes is \$1,515.
4. Pursuant to DHS Reference Table 240, "MA Monthly Protected Income Levels," Claimant's monthly protected income is \$541.

5. DHS subtracted the monthly protected income of \$541 from the countable income of \$1,515 and arrived at a PPA, or deductible, of \$974.
6. On January 12, 2011, DHS issued a letter to Claimant informing her that she was approved for MA coverage and that her PPA would be \$974.
7. On January 25, 2011, Claimant filed a notice of hearing request with DHS.

CONCLUSIONS OF LAW

MA was established by Title XIX of the U.S. Social Security Act and is implemented by Title 42 in the Code of Federal Regulations. DHS administers the MA program pursuant to MCL 400.10 *et seq.* and MCL 400.105. DHS' policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables (RFT). These manuals are available online at www.michigan.gov/dhs-manuals.

The administrative manuals are the policies and procedures that DHS officially created for its own use. While the manuals are not laws created by the U.S. Congress or the Michigan Legislature, they constitute legal authority which DHS must follow. It is to the manuals that I look now in order to see what policy applies in this case. After setting forth what the applicable policies are, I will examine whether they were in fact followed in this case.

I find that BEM 530, "MA Income Budgeting," applies in this case. I reviewed this Item, which sets forth the formulas for calculating eligibility for MA and whether a PPA will be necessary. I find and conclude that DHS observed the parameters of BEM 530.

Next, I find and determine that the second Item applicable in this case is BEM 541, "MA Income Deductions – SSI-Related Adults." This section gives a \$20 unearned income deductible to Claimant and reduces her countable income for purposes of setting her PPA level. I reviewed the DHS Budget prepared in this case, and I find and conclude that DHS properly included the \$20 unearned income deductible in calculating Claimant's PPA.

I turn next to the third Item, BEM 544, "MA Needs – Group 2." This Item provides a deduction for necessary living expenses (Protected Income Level) from the client's gross income. BEM 544 provides the instructions for calculating the client's Protected Income Level and identifies two charts in the Reference Tables containing the information that is necessary to make the calculation.

Going to the RFT, I first determine from RFT 200, "MA Shelter Areas," that as Claimant lives in Macomb County, she falls within Shelter Area VI. Then, taking this information

on to RFT 240, "MA Monthly Protected Income Levels," on this chart I find that Shelter Area VI claimants with a family group of two persons are entitled to a Protected Income Level of \$541. Returning now to the DHS Budget prepared for Claimant, I find and determine that DHS provided Claimant with the \$541 Protected Income Level deduction as required by law.

In conclusion, based on the findings of fact and conclusions of law above, I conclude and determine that DHS used the proper income, deductions and formulas, and arrived at the correct PPA in Claimant's case. I find that DHS acted correctly in this case and DHS is AFFIRMED. I find and conclude that it is not necessary for DHS to take any further action in this case.

DECISION AND ORDER

Based on my findings of fact and conclusions of law above, I find and determine that DHS is AFFIRMED in this matter. IT IS ORDERED that DHS need take no further action in this case.



Jan Leventer
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: May 5, 2011

Date Mailed: May 5, 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.

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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.

JL/pf

cc:

