

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.: 2011-1941
Issue Nos.: 2014, 2026
Case No.: [REDACTED]
Hearing Date: January 10, 2011
DHS County: Oakland (63-02)

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 Claimant's request for a hearing. After due notice, a telephone hearing was held on January 10, 2011. Claimant appeared and testified. [REDACTED], primary care giver, also testified on behalf of Claimant. [REDACTED], testified on behalf of the Department of Human Services (Department).

ISSUES

1. Was the Department correct in closing claimant's Medicaid Waiver Program case?
2. Was the Department correct in its calculation of the deductible budget and the resulting spend-down amount?

FINDINGS OF FACT

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

1. Claimant was an ongoing Medicaid Waiver Program recipient in a household of one.
2. On June 1, 2010, the Department notified Claimant that his Medicaid Waiver Program's case would be closed due to excess income.
3. Claimant receives \$2,075.00 in Retirement, Survivors and Disability Income (RSDI) per month.

4. Claimant's insurance premiums are \$1,602.13 per month.
5. Claimant requested a hearing on June 7, 2010, contesting the Department's termination of the ongoing Medical Waiver Program and the amount of the deductible.
6. The Department closed Claimant's Medicaid Waiver Program case on July 1, 2010, and placed Claimant on a Deductible Medicaid Program with a deductible of \$64.00.

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 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,) which includes the Reference Tables (RFT.)

Medicaid Waiver Program

The Medicaid Waiver Program eligibility requires that gross income does not exceed \$2,022.00 per month. BEM 164, p.2.

Gross income is the amount of income before any deductions such as taxes or garnishments. This may be more than the actual amount an individual receives. BEM 500, p. 3.

In the present case, Claimant concedes that he receives \$2,075.00 in RSDI income. Claimant's gross income of \$2,075.00 per month exceeds the gross income limit of \$2,022.00 per month as dictated in BEM 164. The Department was, therefore, correct in closing Claimant's Medicaid Waiver Program case.

Deductible Medicaid Program

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:

- There is no excess income, **or**

- Allowable medical expenses equal or exceed the excess income (Under the Deductible Guidelines)

BEM 545.

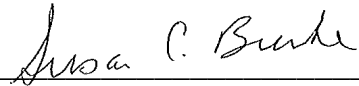
Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. Income eligibility exists when net income does **not** exceed the Group 2 needs in BEM 544. BEM 166. The protected income level is a set allowance for non-medical 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 MA 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, the 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 an MA group of 1 (one) living in Oakland County is \$408.00 per month. RFT 200 and 240. In determining net income, a standard deduction of \$20.00 is deducted for Social Security Income (SSI) related MA recipients (disabled.)

In the present case, the Department did not input the standard deduction for SSI-related cases. Therefore, the Department was incorrect in its calculation of the deductible budget and the resulting spend-down amount.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department was correct in closing Claimant's Medicaid Waiver Program case, but was incorrect in its calculation of the deductible budget and resulting spend-down amount. The Department's decision is, therefore, AFFIRMED in part and REVERSED in part. It is ORDERED that the Department shall recalculate Claimant's spend down amount as of July 1, 2010.



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

Date Signed: January 19, 2011

Date Mailed: January 20, 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.

SCB/pf

cc:

