

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201126166  
Issue No: 2026  
Case No: [REDACTED]  
Hearing Date: June 9, 2011  
Eaton County DHS

ADMINISTRATIVE LAW JUDGE: **Kandra Robbins**

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37, 7 CFR 273.16, MAC R 400.3130, and MAC R 400.3178 upon the Claimant's request for hearing. After due notice, a telephone conference hearing was held on June 9, 2011. The claimant was present and testified.

**ISSUE**

Did the department properly determine claimant's eligibility for Medical Assistance (MA)?

**FINDINGS OF FACT:**

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

1. The claimant was receiving MA.
2. On March 16, 2011, a required review was completed. (Hearing Summary)
3. The claimant receives [REDACTED] per month in RSDI income. (Department Exhibit 1, pgs. 3-5)
4. The claimant pays [REDACTED] in medical premiums. (Department Exhibit 1, pgs. 2-5).
5. The claimant was sent a Notice of Case Action indicating that she qualified for MA as a group 2 blind, aged, and disabled with a deductible of [REDACTED].
6. On March 29, 2011, the department received the claimant's request for a hearing.

## **CONCLUSIONS OF LAW**

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901 - .951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1) An opportunity for a hearing shall be granted to an applicant who requests a hearing because of a denial. MAC R 400.903(2)

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. BAM 600. The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600

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). Department Policy states:

### **BEM 505 DEPARTMENT POLICY**

#### **DEFINITIONS ALL TOA**

**Income** Income means a benefit or payment received by an individual which is measured in money. It includes money an individual owns even if not paid directly such as income paid to a representative.

**Countable Income** Countable income is the amount remaining after applying policy in this and other income-related manual items. This is the amount used to determine eligibility and benefit level. **Earned Income** Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit. Some rental income is considered earned; see [BEM 504](#), Income from Rental/Room and Board. **Unearned Income** Unearned income is all income that is not earned. **Gross Income** 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).

### **BEM 105 DEPARTMENT POLICY**

**MA Only**

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).

**SSI-RELATED AND FIP-RELATED** The Medicaid program is comprised of several sub-programs or categories. One category is FIP recipients. Another category is SSI recipients. There are several other categories for persons not receiving FIP or SSI. However, the eligibility factors for these categories are based on (related to) the eligibility factors in either the FIP or SSI program. Therefore, these categories are referred to as either FIP-related or SSI related. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. 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 166 DEPARTMENT POLICY**

**MA Only**

This is an SSI-related Group 2 MA category. Consider eligibility under this category only when eligibility does **not** exist under BEM 155 through 164, 170 or 171.

Consider Medicare Savings Program eligibility (BEM 165) in addition to Group 2 MA. MA is available to a person who is aged (65 or older), blind or disabled. All eligibility factors must be met in the calendar month being tested. If the month being tested is an L/H month and eligibility exists, go to BEM 546 to determine the post-eligibility patient-pay amount.

**FINANCIAL ELIGIBILITY FACTORS**

**Groups** Use fiscal and asset group policies for SSI-related groups in BEM 211.

**Assets** Countable assets **cannot** exceed the asset limit in BEM 400. Countable assets are determined based on MA policies in BEM 400, 401 and 402.

**Income Eligibility** Income eligibility exists when net income does **not** exceed the Group 2 needs in BEM 544. Apply the MA policies in BEM 500, 530, 540 (for children) or 541 (for

adults), and 544 to determine net income. If the net income exceeds Group 2 needs, MA eligibility is still possible per BEM 545.

## **BEM 545 DEPARTMENT POLICY**

### **MA Only**

This item completes the Group 2 MA income eligibility process. Income eligibility exists for the calendar month tested when:

- There is no excess income.
- Allowable medical expenses (defined in **EXHIBIT I**) equal or exceed the excess income.

### **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 Bridges 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 each time the group meets its deductible.

**Deductible Period** Each calendar month is a separate deductible period.

The claimant is disputing the department's determination of her MA application. The claimant is disabled with a disability onset date of September 1, 2009. As such, she qualifies for MA as a SSI-related program.

The department is required to determine the claimant's income to determine qualification for MA. The claimant receives RSDI income. This is counted as unearned income. The claimant receives [REDACTED] in monthly income. She has a general exclusion of [REDACTED]. She is also given a medical expense deductible for her insurance premium of [REDACTED]. This brings her total countable income to [REDACTED].

The claimant resides in [REDACTED] RFT 200 indicates that this county is Shelter Group V. The protected income limit for a group size of 1 in shelter area V is [REDACTED]

RFT 240. After deducting the protected income amount from the claimant's income, the Claimant has a deductible of [REDACTED].

The department properly determined that the claimant was eligible for MA as a Group 2 blind, aged or disabled. However, the claimant had excess income. Therefore, she has a deductible of [REDACTED].

**DECISION AND ORDER:**

This Administrative Law Judge, based upon the above findings and conclusion of law, decides that the department correctly determined the claimant's MA benefits.

It is so ORDERED.

/s/

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Kandra Robbins  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: June 15, 2011

Date Mailed: June 15, 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.

KR/ar

cc:

[REDACTED]