

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201126769  
Issue No: 2026  
Case No: [REDACTED]  
Hearing Date: May 16, 2011

ADMINISTRATIVE LAW JUDGE: [REDACTED]

**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 hearing was held on May 16, 2011. The Claimant appeared and testified. [REDACTED] ES, appeared on behalf of the Department of Human Services (Department).

**ISSUE**

Was the Department correct in imposing a deductible of [REDACTED] for Claimant's Medicaid (MA) case?

**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 recipient of MA.
2. Claimant received [REDACTED] per month in unemployment compensation.
3. Claimant's spouse received income.
4. The Department presented a budget into evidence.

5. The Department did not present evidence regarding Claimant's spouse's income to substantiate its budget.
6. The Department determined that Claimant's MA case had a deductible of [REDACTED]
7. Claimant requested a hearing, protesting the amount of the MA deductible.

### **CONCLUSIONS OF LAW**

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 (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), which includes Reference Tables (RFT).

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:

- 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 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.

In the present case, the Department lists Claimant's net income as [REDACTED] and although the Department substantiated Claimant's unemployment income of [REDACTED], it did not substantiate Claimant's spouse's income. Claimant testified credibly at the hearing that his spouse does receive income. Without substantiation from the Department as to the figure it used as Claimant's spouse's income, it cannot be determined whether the Department was correct in its calculation of Claimant's net income. Therefore, it is found that the Department was not correct in its calculation of Claimant's deductible.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department's decision to impose a deductible of \$722.00 was not substantiated and therefore not correct. It is therefore ORDERED that the Department's decision is REVERSED. It is further ORDERED that the Department shall re-determine Claimant's MA deductible April 1, 2011 and ongoing, using group income information at that time.

[REDACTED]  
[REDACTED]

Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: May 25, 2011

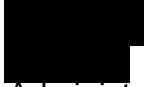
Date Mailed: May 25, 2011

**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 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.

SCB/hw

cc: [REDACTED]  
[REDACTED] Macomb County DHS (36)/ 1843  
[REDACTED]



Administrative Hearings