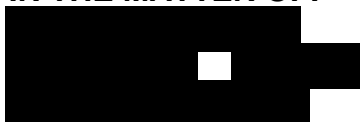


STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg No.: 2011-27742
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: May 11, 2011
Macomb County DHS (20)

ADMINISTRATIVE LAW JUDGE: Lynn Ferris

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 conducted from Detroit, Michigan on Wednesday, May 11, 2011. The Claimant appeared and testified. Julanda Person, Assistance Payments Worker appeared on behalf of the Department of Human Services ("Department").

ISSUE

Whether the Department properly determined the Claimant's Medical Assistance deductible amount?

FINDINGS OF FACT

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

1. The Claimant's Medical Assistance benefits were changed due to earned income based upon information provided as a result of a redetermination in February 2011. The Department determined that the Claimant was subject to a \$244 per month medical deductible spend down amount. Exhibit 1
2. Claimant submitted two pay stubs as part of her redetermination packet as proof of income. Exhibit 2

3. The Department determined the Claimant's spend down based on the two biweekly pay stubs. Exhibit 2
4. The Claimant's total gross income based on the pay stubs is \$1058.50.
5. The Claimant pays child support in the amount of \$67 biweekly to the State of [REDACTED]. The monthly child support amount is \$134 per month. Exhibit 2.
6. The Claimant submitted two check stubs in the following amounts: check # [REDACTED] confirmed gross income of \$537 and was dated 1/26/11. Check # [REDACTED] confirmed gross income of \$521.50 and was dated 2/11/11. These check stubs covered the 30 day period for income for January 2011.
7. The Claimant has one minor child living with her who is a minor. Exhibit 3.
8. The Department processed a water bill for the Claimant on [REDACTED], and the Claimant's request for SER for the water bill was denied on April 18, 2011. The Department's denial was after the Claimant had requested the current hearing and, therefore, is not considered a subject of this hearing as the Department's action was taken after the current request for hearing.
9. The Claimant is entitled request a hearing within 90 days of the Department's action regarding the Department's denial of her water bill but must file another separate hearing request.
10. The claimant requested a hearing on March 18, 2011, regarding the change in her medical assistance to a spend down deductible coverage and her request for SER for assistance with payment of her water bills.

CONCLUSIONS OF LAW

In the record presented, the Claimant requested a hearing regarding the Department's determination of the Claimant's MA deductible amount.

MA deductible

The Medical Assistance program is established by Subchapter XIX of Chapter 7 of The Public Health & Welfare Act, 42 USC 1397, and is administered by the Department pursuant to MCL 400.10 *et seq* and MCL 400.105. Department policies are found in the BAM, BEM, and BRM.

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. BEM 105. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105 Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program thus are categorized as either FIP-related or SSI-related. BEM 105 To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. BEM 105

FIP- and SSI-related Group 2 eligibility is possible even when net income exceeds the income limit because incurred medical expenses are considered. BEM 105 Eligibility is determined on a calendar month basis. BEM 105 MA income eligibility exists for the calendar month tested when there is no excess income or allowable medical expenses that equal or exceed the excess income. BEM 545 The fiscal group's monthly excess income is called a deductible amount. BEM 545 Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. Id. In determining budgetable income for group 2 FIP-related and Healthy Kids MA benefits, BEM 536 is utilized.

In this case, the Claimant seeks review of her Medical deductible amount. After utilizing the pay stubs provided by the Claimant, it is determined that the deductible amount determined by the Department is incorrect and requires recalculation. As the actual calculations are not provided, what follows is a manual calculation based upon the requirements of policy found in BEM 536.

In this case, the Claimant's gross earned income was \$1058.50. This amount is determined by adding together the gross income shown on the two pay stubs provided by the Claimant. Policy next directs a series of steps be applied to determine the deductible amount.

The first step requires that \$90 be deducted from the gross income. ($\$1058.50 - \$90 = \$968$).

Next child support is deducted and the balance is the total net income amount. ($\$968 - 134 = \834).

Determining the Claimant's pro rated share of the total net income is the next step. The pro rated share is determined by adding the number of dependents (1) to 2.9 to get the pro rate divisor and dividing the total net income by the pro rate divisor. The Claimant

has 1 dependent (a minor child) therefore the Claimant's pro rate divisor is 3,9 and the pro rated share of her own income is \$214. ($\$834 \div 3.9 = \214) BEM 536, page 4.

This prorated income is then multiplied by 2.9 for the Claimant's share of her income. ($\$214 \times 2.9 = \620) This amount ($\$620.00$) is considered the Claimant's net income for purposes of calculating the MA deductible. The net income amount of \$652, as determined by the Department based upon the budget it provided is incorrect.


Given the conclusion reached is this decision, that the net income as determined by the Department is incorrect, the Department's determination of the Claimant's spend down deductible is not supported by the evidence submitted and requires the medical spend down amount be recomputed. Accordingly the Department's decision is REVERSED

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds the Department did not correctly compute the Claimant's medical spend down amount and that its determination, that the Claimant's deductible is \$244, is incorrect and is REVERSED.

Accordingly, it is ORDERED:

1. The Department shall recalculate the Claimant's MA spend down amount in conformance with the findings in this Decision and re-determine the Claimant's medical spend down amount, if any, which currently applies to the Claimant.
2. Any Determination, based upon the Department's recalculation, shall be retroactive to the date of its last action establishing the \$244 deductible amount.


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

Date Signed: 06/07/11

Date Mailed: 06/07/11

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.

LMF/dj

cc:

