

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF THE CLAIM OF:

[REDACTED]

Reg. No.: 201128680
Issue No.: 2026; 3000
Case No.: [REDACTED]
Hearing Date: May 11, 2011
Wayne County DHS (15)

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 hearing was held on May 11, 2011. The Claimant, who was represented by [REDACTED], appeared and testified. [REDACTED], FIM, and [REDACTED], FIS, appeared on behalf of the Department of Human Services (Department).

ISSUE

Was the Department correct in imposing a deductible of \$568.00 in 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 Medicaid in household of one.
2. Claimant received \$963.00 per month in Retirement, Survivors, Disability Insurance (RSDI).
3. The Department determined that Claimant would be subject to a deductible in the amount of \$568.00.00 in her MA case.
4. Claimant requested a hearing, objecting to the amount of the 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.

The monthly protected income level for a Medical Assistance group of one living in Wayne County is \$375.00 per month. RFT 200, 240. In determining net income, a

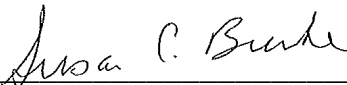
standard deduction of \$20 is deducted for SSI-related Medical Assistance recipients (disabled). 42 GFR 435.811.

In the present case, Claimant's net income (\$943.00) exceeds the monthly protected income level (\$375.00) by \$568.00 per month. Claimant is consequently ineligible to receive medical assistance. However under the deductible program, if the Claimant incurs medical expenses in excess of \$568.00 during the month, she may then be eligible for Medical Assistance. Claimant argues that she is unable to pay the deductible per month because of limited means. Claimant detailed her required high-fiber diet and the associated medical expense. This Administrative Law Judge does sympathize with Claimant in this instance, but does not have the prerequisite jurisdiction to change or alter Department policy and State law at the present time. This ALJ finds that the Department has acted in accordance with Department policy and law imposing the stated deductible.

It is noted that Claimant also requested a hearing on her Food Assistance Program (FAP) case, but at the hearing, Claimant indicated through her attorney that she no longer requested a hearing regarding FAP.

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 \$568.00 in her MA case was correct, and it is therefore ORDERED that the Department's decision is AFFIRMED. It is further ORDERED that Claimant's request for hearing regarding FAP is DISMISSED pursuant to Claimant's request.



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

Date Signed: May 23, 2011

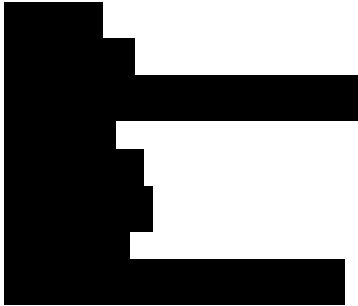
Date Mailed: May 23, 2011

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/ hw

cc:

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