

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

IN THE MATTER OF: Reg
Issue
[REDACTED] Case
[REDACTED] Hearing
[REDACTED] July
Wayne

No: 201131877
No: 2026
No: [REDACTED]
Date:
29, 2011
County DHS-76

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

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 held on July 29, 2011. The Claimant appeared and testified. [REDACTED] ES and [REDACTED] FIM appeared on behalf of the Department.

ISSUE

Is the Department correct in determining Claimant's MA eligibility?

FINDINGS OF FACT

- (1) Claimant was a Medicaid recipient based on disability.
- (2) Claimant began receiving Social Security Disability in the amount of \$1296.
- (3) The Department determined that Claimant was eligible for Medicaid with a \$901 deductible.
- (4) Claimant requested a hearing on April 18, 2011 contesting 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). 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.

The Medical Assistance program was designed to assist needy persons with medical expenses. The State of Michigan has set guidelines for income, which determines if a MA group falls within the needy classification. Under BEM Items 544 and 545, an eligible Medical Assistance group (Group II MA) has income the same as or less than the “protected income level” plus medical insurance premiums 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 a 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, Claimant is contesting the deductible amount for his MA benefits. Claimant receives \$1296 gross employment income. After subtracting the \$20 exclusion, Claimant’s net income is \$1276. Claimant’s net income \$1276 exceeds the monthly protected income level of \$375 by \$901 per month. Claimant is consequently ineligible to receive Medical assistance. However under the deductible program, if the Claimant incurs medical expenses in excess of \$901 during the month he may then be eligible for Medical Assistance. This ALJ finds that the Department has acted in accordance with Department policy and law in denying ongoing Medical assistance and determining his deductible amount.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law decides that the Department was correct in the determination of MA benefits, and it is ORDERED that the Department’s decision in this regard be and is hereby AFFIRMED.

Aaron Administrative for Department	 _____ Aaron Administrative for Department	McClintic Law Judge Maura Corrigan, Director of Human Services
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2011-31877/AM

Date Signed: July 11, 2011

Date Mailed: July 11, 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 60 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.

AM/ctl

cc: [REDACTED]
Wayne County DHS (76)

A. [REDACTED] McClintic
Administrative Hearings