

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

**IN THE MATTER OF:**

Issue

[REDACTED]

Hearing

June

Wayne

Reg No: 2011-32083

No: 2026

Case No: [REDACTED]

Date:

20, 2011

County DHS-43

**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 June 20, 2011. The Claimant appeared and testified. [REDACTED] ES appeared on behalf of the Department.

**ISSUE**

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

**FINDINGS OF FACT**

- (1) Claimant is eligible for Medicaid based on a disability.
- (2) Claimant is receiving RSDI benefits of \$996.
- (3) The Department determined that Claimant had a \$445 Medicaid deductible.
- (4) Claimant requested a hearing on April 19, 2011 contesting the amount of her Medicaid spend down. Claimant also questioned the processing of medical bills she submitted.
- (5) Claimant submitted medical bills at hearing that were previously submitted to the Department.

- (6) The Department processed the medical bills submitted by the Claimant and determined that the medical bills did not meet Claimant's deductible for the period of time in question.

### **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 her MA benefits. In determining net income a standard deduction of \$20 is deducted for SSI-related Medical Assistance recipients (disabled). Claimant's RSDI benefit is \$996 after subtracting \$20 his net income is \$976. Claimant's net income \$976 exceeds the monthly protected income level of \$500 by \$445 per month. Claimant is consequently ineligible to receive Medical assistance. However under the deductible program, if the Claimant incurs medical expenses in excess of \$445 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 her deductible amount.

Claimant raised issues with regard to the processing of medical bills in meeting her deductible. The Department's position was that Claimant did not submit bills that met her spend down, in addition the Department questioned the timeliness of Claimant's submissions. The Claimant testified that she submitted bills promptly after they were received. Department policy states that the MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545 This Administrative Law Judge finds that the Department is correct that many of the bills submitted by Claimant were untimely according to Department policy. In addition, after reviewing the medical bills, this Administrative Law Judge finds that Claimant did not meet the deductible based on the timely submissions that were made. Therefore the Department has acted in accordance with Department policy and law in processing the medical bills submitted by Claimant and determining her eligibility for Medicaid.

**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	_____	McClintic
Administrative		Law Judge
for		Maura Corrigan, Director
Department		of Human Services

Date Signed: June 29, 2011

Date Mailed: June 29, 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.

2011-32083/AM

cc: [REDACTED]  
Wayne County DHS (43)

A. [REDACTED] McClintic  
Administrative Hearings