

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201226823  
Issue No.: 2015  
Case No.: [REDACTED]  
Hearing Date: May 10, 2012  
County: Macomb (20)

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on May 10, 2012 from Detroit, Michigan. Participants on behalf of Claimant included the above named claimant and [REDACTED], Claimant's authorized hearing representative and translator. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist.

**ISSUE**

The issue is whether DHS properly determined Claimant to be eligible for Medicaid subject to a \$1331/month deductible effective 12/2011.

**FINDINGS OF FACT**

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

1. Claimant was an ongoing Medicaid recipient.
2. Claimant gave birth to a child in 9/2011.
3. As of 12/2011, Claimant was part of a household that included her spouse and minor child.
4. Claimant's spouse had an income of \$2443/month.
5. On 11/18/11, DHS determined that Claimant was eligible for Medicaid subject to a \$1331/month deductible beginning 12/2011.

6. On 12/16/11, Claimant requested a hearing to dispute the benefit determination for 12/2011.

### **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). DHS 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 Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

The Medicaid program is comprised of several sub-programs which fall under one of two categories; one category is FIP-related and the second category is SSI-related. BEM 105 at 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. *Id.* It was not disputed that Claimant is only potentially eligible for FIP-related MA. Two potential FIP-Related MA programs in which Claimant's child could be eligible are Low Income Family (LIF) and other Healthy Kids (OHK)

It was not disputed that Claimant was an MA benefit recipient based on pregnancy and that Claimant gave birth to a child in 9/2011. Once eligible for HKP (the MA category based on pregnancy) a woman remains eligible until the end of her two month postpartum period, unless she moves out of state or dies. BEM 125 at 1. It is found that DHS appropriately reevaluated Claimant's MA benefit eligibility for 12/2011, two full months following the end of Claimant's pregnancy.

In 12/2011, Claimant was eligible for MA benefits as part of a family through Low-Income Family (LIF) or through Group 2 Caretaker (G2C) as a caretaker to a minor child. DHS found Claimant income ineligible for both MA programs.

LIF budget calculations are outlined in BEM 110. The exact amount of Claimant's spouse's employment income was disputed, though Claimant conceded that two pays from 2/2012 totaling \$2443 were a fair estimate of his income. For purposes of LIF eligibility, employment income receives a \$200 + 20% disregard is applied. Claimant's group has a net income for LIF eligibility of \$1794.

LIF eligibility exists when the LIF group's monthly income does not exceed the LIF income limit. The monthly net income limit for a three person (Claimant, husband and

child) LIF group is \$519/month. Claimant's net income exceeds the income limits for LIF eligibility. It is found that DHS properly denied Claimant LIF benefits.

Claimant can still receive Medicaid through G2C. Income calculations for all Group 2 MA categories are located within BEM 536. Claimant's spouse's gross income for purposes of G2C is \$2443, the same as for LIF eligibility. A \$90 disregard is applied to gross employment income making Claimant's spouse's running countable income total \$2353. The running countable income is divided by the sum of 2.9 and Claimant's number of dependents (two dependents- one for Claimant's spouse and one for her minor child). Dividing \$2353 by 4.9 creates a prorated share of income of \$480 (dropping cents). That number is multiplied by 3.9 (2.9 + 1 share for the spouse) to create the adult's share of the adult's own income of \$1872 (dropping cents). DHS allows for deductions for insurance premiums, remedial services and ongoing medical expenses; none of these expenses were alleged. The income limit for G2C eligibility is \$541. RFT 240 at 1. It is found that DHS properly did not find Claimant eligible for Medicaid under the G2C program.

A recipient with excess income for ongoing Medicaid may still be eligible for Medicaid under the deductible program. Clients with a Medicaid deductible may receive Medicaid 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 amount that Claimant's total net income (\$1872) exceeds the income limit (\$541) for G2C is the amount of Claimant's deductible. It is found that Claimant's Medicaid deductible is \$1331, the same amount calculated by DHS.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly determined Claimant to be eligible for Medicaid subject to a \$1331/month deductible effective 12/2011. The actions taken by DHS are AFFIRMED.



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Christian Gardocki  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: May 16, 2012

Date Mailed: May 16, 2012

**NOTICE:** Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases).

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,
  - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
  - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at  
Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

CG/hw

cc:

