

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 2012-52653
Issue No: 2026, 3000
Case No: [REDACTED]
Hearing Date: June 14, 2012
County: Kent

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 June 14, 2012 from Lansing, Michigan.¹ Participants on behalf of Claimant included [REDACTED] and [REDACTED]. Participants on behalf of Department of Human Services (Department) included [REDACTED] (Family Independence Manager) and [REDACTED] (Eligibility Specialist).

ISSUE

Whether the Department properly determined the claimant's eligibility for Medical Assistance (MA) benefits?

FINDINGS OF FACT

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

1. The claimant had a group size of 9 (nine) at all relevant times.
2. During the time period in question, the claimant's monthly gross income was [REDACTED].
3. On April 10, 2012, the Department mailed the claimant a Notice of Case Action which indicated that Claimant and group member ([REDACTED]) each had an [REDACTED] deductible (also referred to as "spend down").

¹ The claimant initially requested a hearing regarding Medical Assistance and Food Assistance Program (FAP) benefits. During the hearing; however, the claimant stated that the FAP benefits was no longer at issue. The claimant agreed to dismiss the FAP question.

4. On May 10, 2012, the claimant submitted a hearing request protesting MA spend down.

CONCLUSIONS OF LAW

The client has the right to request a hearing for any action, failure to act or undue delay by the department. BAM 105. The department provides an administrative hearing to review the decision and determine its appropriateness. BAM 600.

The regulations that govern the hearing and appeal process for applicants and recipients of public assistance in Michigan are contained in the Michigan Administrative Code (Mich Admin Code) Rules 400.901 through 400.951. An opportunity for a hearing shall be granted to a recipient who is aggrieved by an agency action resulting in suspension, reduction, discontinuance, or termination of assistance. Mich Admin Code 400.903(1).

The Medical Assistance (MA) program was established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The department administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies for the MA programs are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), the Bridges Reference Manual (BRM), and the Reference Tables Manual (RFT).

The MA program is also referred to as Medicaid. BEM 105. 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 sub-programs or categories. One category is FIP recipients. BEM 105. Another category is SSI recipients. BEM 105. There are several other categories for persons not receiving FIP or SSI. BEM 105. However, the eligibility factors for these categories are based on (related to) the eligibility factors in either the FIP or SSI program. BEM 105. Therefore, these categories are referred to as either FIP-related or SSI-related. BEM 105.

To receive Medicaid under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive Medicaid under FIP-related categories. For MA only, a client and the client's community spouse have the right to request a hearing on an initial asset assessment only if an application has actually been filed for the client. BAM 105. 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. BEM 105.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. The income limit, which varies by category, is for nonmedical needs such as food and shelter. BEM 105. Medical expenses are not used when determining eligibility for FIP-related and SSI-

related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 categories. BEM 105.

A fiscal group is established for each person requesting MA (see BEM 211) and budgetable income is determined for each fiscal group member. Since how a client's income must be considered may differ among family members, special rules are used to prorate a person's income among the person's dependents, and themselves. BEM 536.

For an MA recipient, a future month budget must be performed at redetermination and when a change occurs that may affect eligibility or a post-eligibility PPA. BEM 530. For an MA deductible client, a future month budget must be performed at redetermination and when a change occurs that may affect deductible status. BEM 530. Countable income is income remaining after applying MA policy in BEM 500. BEM 530.

Income means a benefit or payment received by an individual which is measured in money. BEM 500. Income includes money an individual owns even if **not** paid directly such as income paid to a representative. BEM 500. Countable income is that income remaining after applying the policy related to income. BEM 500. Countable income is the amount used to determine eligibility and benefit levels. BEM 500. The Department will count all income that is **not** specifically excluded. BEM 500. Gross income is the amount of income before any deductions such as taxes or garnishments. BEM 500. This may be more than the actual amount an individual receives. BEM 500.

In the instant matter, the claimant challenged the Department's calculation of the MA spend down. Although somewhat unclear and possibly lost in translation, the claimant either did not understand or disagreed with the Department usage of the claimant's gross income. As indicated above, the countable income is the gross income for purposes of MA deductible calculations. Gross income is the amount of income **before** any deductions such as taxes or garnishments. BEM 500. **This may be more than the actual amount an individual receives. BEM 500.** Here, the claimant insisted that the Department should not look at the gross income. However, the Department was merely following BEM 500.

The claimant, on the record, confirmed that the household monthly gross income was [REDACTED]. The fiscal group size was 9 (nine). Claimant lives in Kent County, which is considered Shelter Area V per RFT 200. According to RFT 240, the protected income limit (PIL) for a group size of 9 is [REDACTED]. The PIL subtracted from the net income is the remaining deductible. [REDACTED]. BEM 536. However, the deductible is \$88.00 for each of the two adult group members of this household. The appropriate MA deductible amount for each is \$88.

Accordingly, this Administrative Law Judge finds that the department properly determined the claimant's eligibility for MA and the MA deductible amounts.

With regard to the FAP issue, the Administrative Law Judge dismisses the claimant's FAP issue with prejudice for the reasons stated above.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department acted in accordance with policy in determining the claimant's MA eligibility.

The department's MA eligibility determination is AFFIRMED.

Because the claimant requested the hearing be dismissed during the hearing, the claimant's FAP issue is DISMISSED with prejudice.

It is SO ORDERED.

/s/
C. Adam Purnell
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: 6/20/12

Date Mailed: 6/20/12

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.

CAP/ds

■ [REDACTED]