

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2012-68383  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: December 20, 2012  
County: Oakland County DHS (02)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**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, an in person hearing was held on December 20, 2012, from Madison Heights, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Assistance Payments Supervisor.

**ISSUE**

Did the Department properly impose a medical assistance deductible on the Claimant (David Perry)?

**FINDINGS OF FACT**

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

1. The Department issued a Notice of Case Action on July 2, 2012 imposing a medical spend down deductible on the Claimant's spouse ([REDACTED]) in the amount of \$841. The deductible was made effective August 1, 2012.
2. The Notice of Case action does not explain the basis for the deductible other than to indicate that the Claimant met the requirements to receive Medicaid except income. The Notice further indicates that the deductible amount is the monthly countable income minus the monthly amount we can allow for living expenses. Exhibit 2
3. The Claimant's Request for hearing dated July 16, 2012 has the date of the July 2, 2012 Notice printed on it and thus it forms the basis for Claimant's request for hearing.
4. At the hearing the Department did not present a budget to support how it determined the deductible amount it imposed.
5. The Claimant and her spouse both receive RSDI.

6. The claimant's medical assistance has also placed the Claimant on a deductible but that issue was not the subject of the July 2, 2012 Notice of Case Action. A subsequent Notice of Case Action dated July 26, 2012 issued after the Claimant's hearing request involved in this hearing, imposed a deductible on the claimant, but that issue is not a subject which can be addressed at this hearing.
7. The claimant requested a hearing regarding the July 2, 2012 Notice of Case Action by hearing request dated 7/16/12. Exhibit 1

### **CONCLUSIONS OF LAW**

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Medical Assistance (MA) program is established by the 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.

Additionally, during the hearing it was determined that the Claimant's hearing request was based upon the Notice of Case Action dated July 2, 2012. This Notice imposed a deductible amount of \$841 on the Claimant's Spouse, [REDACTED]. At the hearing the Department provided information regarding the Claimant's and her spouse's income but did not provide a budget to demonstrate how the deductible amount was determined. Because no budget detailing how the deductible amount was established and why, the Department did not meet its burden of proof. Exhibits 1 and 2.

It should be noted that the Claimant in a separate Notice of Case Action dated July 26, 2012 also had a deductible imposed, however that issue is not properly before the undersigned as that Notice is not a proper subject for this hearing which can only address the imposition of a deductible on [REDACTED]. The Department did provide information to the Claimant about the reason for her medical assistance being subject to a deductible and explained why the Claimant's Freedom to Work was no longer applicable, but no ruling with regard to that issue can be made or addressed in this Decision.

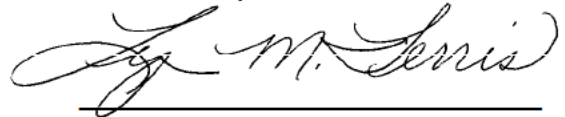
### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department  did act properly when .  did not act properly when it imposed a deductible on David Perry.

Accordingly, the Department's  AMP  FIP  FAP  MA  SDA  CDC decision is  AFFIRMED  REVERSED for the reasons stated on the record.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department shall recalculate the Claimant's [REDACTED] [REDACTED] medical deductible and provide a MA budget to the Claimant which explains how the deductible was determined and what unearned income and other information was used to determine the deductible amount of \$841 which was imposed.



Lynn M. Ferris  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: January 11, 2013

Date Mailed: January 11, 2013

**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

LMF/tm

cc:

