

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

IN THE MATTER OF:



Reg. No.: 201210981
Issue No.: 2015
Case No.: [REDACTED]
Hearing Date: December 21, 2011
Wayne County DHS (57)

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 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on December 21, 2011 from Detroit, Michigan. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, and [REDACTED], Manager, appeared and testified.

ISSUE

The issue is whether DHS properly determined Medical Assistance (MA) benefits for Claimant as Medicaid subject to a deductible.

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 MA benefit recipient receiving ongoing Medicaid.
2. Claimant was part of a household size of two persons.
3. Claimant received \$244.80 twice per month in gross employment income.
4. Claimant also received biweekly pays of \$228.60 in income from a second job.
5. On 10/19/11, DHS recalculated Claimant's MA benefits and reduced Claimant's MA benefits to Medicaid subject to a deductible.

6. On 10/31/11, Claimant requested a hearing to dispute a reduction in Medicaid and Food Assistance Program (FAP) benefits.
7. Claimant no longer has a dispute concerning FAP benefits.

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 could be eligible are Low Income Family (LIF) and Group Two Caretaker (G2C).

It was not disputed that Claimant received income from two jobs. Claimant received biweekly payments from one employer and twice/month payments from her other employer. For MA benefits, if prospecting income based on bi-weekly or twice a month payments, the income is multiplied by two to convert to a monthly amount. BEM 530 at 3.

It should be noted that during the hearing a gross income of \$213.60 twice per month was discussed. This amount was actually Claimant's net income for that job. After factoring tax deductions, Claimant's gross income for that job was actually \$244.80. Multiplying one of Claimant's twice per month gross income pays by two results in a total monthly income of \$489.60 for that job.

It was also not disputed that Claimant received biweekly pays of \$228.60 from a second job. Multiplying Claimant's average biweekly income by two results in a total monthly

income of \$457.20 for that job. Adding the income together creates a total monthly gross income of \$946.80.

In calculating Claimant's net income for LIF, employment earnings receive a \$200 + 20% disregard. BEM 110 at 16. Claimant's net income for purposes of LIF eligibility is \$597.44. LIF eligibility exists when the LIF group's monthly income does not exceed the LIF income limit. The monthly net income limit for a two person LIF group is \$413/month. RFT 243 at 1. Claimant's net income exceeded the income limits for LIF eligibility. It is found that DHS properly denied LIF benefits to Claimant.

Claimant can still receive Medicaid through G2C. Income calculations for all Group 2 MA categories are located within BEM 536. Claimant's gross income for purposes of G2C is \$946.80, the same as for LIF eligibility. A \$90 disregard is applied to gross employment income making Claimant's running countable income total \$856.80. The running countable income is divided by the sum of 2.9 and Claimant's number of dependents (one for Claimant's minor child). Dividing \$856.80 by 3.9 creates a prorated share of income of \$219 (dropping cents). That number is multiplied by 2.9 to create the adult's share of the adult's own income of \$635 (dropping cents). Claimant did not allege any deductions for insurance premiums making Claimant's net income for purposes of G2C to be \$635. The income limit for G2C eligibility is \$375. 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 (\$635) exceeds the income limit (\$375) for G2C is the amount of Claimant's deductible. It is found that Claimant's Medicaid deductible is \$260. This amount is a less favorable amount than the \$106 deductible calculated by DHS. As the evidence determined that Claimant is entitled to a less favorable benefit determination than what DHS calculated, Claimant is not entitled to an administrative remedy.

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 deductible. The actions taken by DHS are AFFIRMED.



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

Date Signed: 1/4/12

Date Mailed: 1/4/12

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 to:

Michigan Administrative hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

CG/hw

cc:



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