

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No: 2012 26866  
Issue No: 2015; 2026  
Case No: [REDACTED]  
Hearing Date:  
May 10, 2012  
Wayne County DHS (76)

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 upon claimant's request for a hearing. After due notice, a hearing was held on May 10, 2012. The Claimant appeared and testified. [REDACTED], FIM and [REDACTED], FIS appeared on behalf of the Department.

ISSUE

Was the Claimant's medical spend down deductible properly computed?

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 is a recipient of Medical Assistance benefits. The Claimant is eligible for medical assistance subject to a spend down amount as a FIP related Group 2 caretaker.
2. The Claimant has a medical spend down in the amount of \$280 effective January 1, 2012.
3. The Claimant receives unemployment benefits in the amount of \$556 bi-weekly. Exhibit 2.

4. The Claimant's group consists of herself and her 2 dependent minor children.
5. On December 16, 2012 the appropriate changes were made to the Claimant's benefits and a new budget was completed budgeting \$1112 in unearned income from unemployment compensation benefits.
6. The income parameter limit (protected income level) used by the Department to determine the spend down amount was \$375. The protected income level is correct for a group of 1 persons living in Wayne County as per RFT 240.
7. The household net income was \$1112. The household unearned income of \$1112 was included in the MA spend down budget was correct and was confirmed by the Claimant. Exhibit 2
8. The Claimant requested a hearing protesting the Department's determination of her medical spend down. The hearing request was received December 27, 2011.

#### CONCLUSIONS OF LAW

#### MEDICAL SPENDOWN

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 Claimant has two dependents and was recently placed on a medical spend down. The Claimant is eligible and receive Group 2 FIP related medical assistance subject to a spend down amount of \$280. The determination of GP 2 MA spend down is governed by BEM 536. The Claimant's adult fiscal group consists of the Claimant and her two dependent children. The fiscal group composition is determined by BEM 211, page 5. The determination of the group's budgetable income is determined by consulting BEM 536 which requires the application of a series of steps to determine total net income and thus the proper spend down amount.

In this case, the Claimant questions the Department's calculation of her medical deductible. BEM 536 requires a series of steps be followed to determine the deductible amount. Applying BEM 536, the first determination that must be made is the Adult's (Claimant's) pro rated income. The Policy directs that the income of \$1112 is divided by a pro rate divisor. The prorated divisor is the sum of 2.9 plus the number of dependents, not including the Claimant or 4.9. ( $\$1112 \div 4.9 = \$226$ ). The Adult pro rated income is \$226. Based upon the budget submitted by the Department, the Department correctly determined the adult pro rated income. Exhibit 1.

The next step required by the Policy in BEM 536 is to determine the adult's share of the adult's own income. This is determined by multiplying the pro rated income \$226 by 2.9 ( $\$226 \times 2.9 = \$655$ ). Based upon the budget submitted the Department correctly determined the Adult's share of the Adult's (Claimant) own income.

The next and final step requires that the income limit of \$375 as determined by RFT 240 for one adult living in Wayne County be deducted from the Adult's share of the Adult's own income (\$655). The income limit of \$375 is minimum income an individual may receive and still be eligible for Medicaid without a deductible. Deducting the Income Limit from the Adult's share of Adult's income yields a deductible of \$280. ( $\$655 - \$375 = \$280$ ). Based upon the budget submitted it is determined that the Department correctly computed the Claimant's deductible amount correctly.

The undersigned has reviewed the MA budget of February 1, 2012 and finds that the Department properly calculated the deductible amount for the Claimant.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department's determination of the Medical Spend down amount of \$280 is correct and therefore the Department is  
**AFFIRMED.**



Lynn M. Ferris  
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 to:

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

LMF/hw

cc:

