

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

**IN THE MATTER OF:**

[REDACTED]

Reg No.: 2012-2715  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: April 19, 2012  
Wayne County DHS (19)

**ADMINISTRATIVE LAW JUDGE:** Colleen M. Mamelka

**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 conducted from Detroit, Michigan on Thursday, April 19, 2012. The Claimant appeared and testified. [REDACTED] appeared on behalf of the Department of Human Services. [REDACTED] observed the proceedings.

**ISSUE**

Whether the Department properly terminated the Claimant's Transitional Medical Assistance ("TMA") resulting in Medical Assistance ("MA") coverage with 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. The Claimant received MA assistance under the TMA program.
2. The Claimant's actual gross earnings for June 2011 were \$691.88. (Exhibits 2, 3)
3. After 12 months, the Department closed the TMA coverage and approved the Claimant for MA under the deductible program effective September 1, 2011. (Exhibit 1)

2012-2715/CMM

4. The Claimant's MA deductible effective September 1, 2011 was \$71.00. (Exhibit 4)
5. On July 13, 2011, the Department notified the Claimant of the closure of the TMA benefits and the approval for MA under the deductible program effective September 1, 2011. (Exhibit 5)
6. In September 2011, the Department received the Claimant's timely written request for hearing. (Exhibit 6)

### **CONCLUSIONS OF LAW**

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. 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 Bridges Reference Tables ("RFT").

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. Medicaid is also known as Medical Assistance. BEM 105. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105. A fiscal group is established for each person requesting MA and budgetable income is determined for each fiscal group member. BEM 536. A multi-step process is utilized when determining a fiscal group member's income. BEM 536.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 105. 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 non-medical 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. BEM 105. For Group 2, eligibility is possible when net income exceeds the income limit. BEM 105. This is because incurred medical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 Categories. BEM 105.

LIF and TMA are FIP-related Group 1 MA categories. BEM 111. TMA eligibility is considered only after LIF coverage ends. BEM 111. TMA is available for up to 12 months when ineligibility for LIF relates to income from employment of a caretaker. BEM 111. Group 2, caretaker relative MA is available to parents and other caretaker relatives provided eligibility factors are met. BEM 135. In this category, income eligibility exists for the calendar month tested when there is no excess income or

allowable medical expenses that equal or exceed excess income. BEM 545. The fiscal group's monthly excess income is called a deductible amount. BEM 545. Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545. Each calendar month is a separate deductible period. BEM 545. The group must report expenses by the last day of the third month following the month it seeks MA coverage for. BEM 545.

All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500. Prospective income is income not yet received but expected. BEM 505. Prospective budgeting is the best estimate of the client's future income for future benefits. BEM 505. All income is converted to a monthly amount. BEM 505. A standard monthly amount must be determined for each income source used in the budget. BEM 505. Weekly benefit amounts are converted to a monthly amount by multiplying the weekly amount by 4.3. BEM 505. Bi-weekly amounts are converted by multiplying the amount by 2.15. BEM 505.

In this case, the Claimant initially had MA coverage under the Low Income Family ("LIF"). The Claimant began working so the Department changed the Claimant's MA program to the TMA program, which was available for 12 months, effective September 2010. As the TMA was approaching the maximum 12 month period, the Department determined the Claimant's eligibility under the Group 2 program. The Claimant's actual gross earnings for June 2011 were \$691.88. The Claimant's weekly income fluctuates so for purposes of determining eligibility, the gross income is divided by 4 and then multiplied by 4.13 (see prospective budgeting above) to arrive at a monthly gross earnings figure of \$743.77. To determine the deductible, BEM 536 requires that \$120.00 is deducted from the monthly gross earnings figure and then 1/3 of that figure is subtracted to arrive at \$416.00 (rounded). Next, child support is added less \$50.00 ( $\$243.00 - \$50.00 = \$193.00 + 416.00 = \$609.00$ ). After this point, the number of dependents (under the age of 18) living with the fiscal group member is determined. BEM 536. This number is added to 2.9 to determine the prorate divisor. The \$609.00 is then divided by the prorate divisor (3.9) to determine the fiscal group member's income. BEM 536. ( $\$609.00/3.9 = \$156.00$ ). This number (which is off by \$2.00 likely due to rounding) is the Adult's Prorated Income.

To determine the "Adult's share of adult's own Income" the \$154.00 (from Exhibit 4) is multiplied by 2.9 to arrive at \$446.00. Finally, the \$375.00 income limit (RFT 240) is subtracted from the \$446.00 to arrive at the \$71.00 deductible. In light of the foregoing, the Department's MA determination is AFFIRMED.

### **DECISION AND ORDER**

2012-2715/CMM

The Administrative Law Judge, based on the above findings of fact and conclusions of law finds the Department established it acted in accordance with policy when determining the Claimant's MA eligibility.

Accordingly, it is ORDERED:

The Department's deductible determination is AFFIRMED.

*Colleen M. Mamelka*

**Colleen M. Mamelka**

Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: April 24, 2012

Date Mailed: April 24, 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

2012-2715/CMM

CMM/cl

cc:

