

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

IN THE MATTER OF:



Reg. No.: 201245101
Issue No.: 2026; 3002
Case No.: [REDACTED]
Hearing Date: August 20, 2012
County: Wayne (18)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 August 20, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly provide Medical Assistance (MA) coverage for Claimant with an \$878 monthly 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 Department notified Claimant that he was entitled to MA coverage with an \$878 monthly deductible.
2. On April 2, 2012, Claimant requested a hearing contesting the Department's action.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services, Bridges Administrative Manual (BAM) (2012), the Bridges Eligibility Manual (BEM) (2011), and the Reference Tables Manual (RFT) (2007).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

The Food Assistance Program (FAP) [formerly known as the Food Stamp (FS) program] is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3001 through R 400.3015.

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.

The Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AACS, R 400.3151 through R 400.3180.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001 through R 400.5015.

Additionally, the Department notified Claimant that he was entitled to MA coverage with a monthly deductible of \$878. To receive MA under a Group 2 SSI-related MA category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. BEM 105 (October 1, 2010), p 1. Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) exceeds the applicable Group 2 MA protected income levels (based on shelter area and fiscal group size). BEM 105, p 1; BEM 166 (October 1, 2010), pp 1-2; BEM 544 (August 1, 2008), p 1; RFT 240 (July 1, 2007), p 1. While individuals eligible for Group 2 MA have income equal to, or less than, the protected income level, an individual whose income is in excess of the monthly protected income level may

become eligible for assistance under the deductible program, with the deductible being equal to the amount that the group's monthly income exceeds the protected income levels. BEM 545 (July 1, 2011), p 1.

In this case, the monthly protected income level for an MA group of one (Claimant) living in Wayne County is \$375 per month. RFT 200 (July 1, 2007), p 1; RFT 240, p 1. At the hearing, the Department produced a SSI-Related MA budget showing how the deductible in Claimant's case was calculated. Claimant verified that he received gross monthly Retirement, Survivors, and Disability Insurance (RSDI) benefits of \$1273. The budget properly subtracted the \$20 disregard to establish Claimant's total net income for MA purposes at \$1253. BEM 530 (August 1, 2008), p 1; BEM 541 (January 1, 2011), p 1. There was no verified court-ordered child support paid by Claimant or any child living with Claimant to whom Claimant's income would be allocated. BEM 541, p 1. Thus, there were no additional deductions available to Claimant. Claimant's countable income of \$1253 exceeds the monthly protected income level of \$375 by \$878. Thus, the Department properly determined that Claimant is eligible for MA coverage once he incurs medical expenses in excess of \$878 during the month. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545, p 9; 42 CFR 435.831.

At the hearing, Claimant indicated that he had outstanding, unpaid medical bills. Allowable medical expenses which were incurred in a month prior to the month being considered can be used as old bills, and will be applied towards a client's ongoing deductible, if they meet all of the following criteria: (1) the expense was incurred by a member of the medical group in a month prior to the month being tested; (2) during the month being tested the expense was still unpaid and liability for the expense still exists; (3) a third party resource is not expected to pay the expense; (4) the expense was not previously used to establish MA income eligibility; and (5) the expense was (i) incurred on a date the person had no MA coverage, (ii) not an MA-covered service, or (iii) provided by a non-MA enrolled provider. BEM 545, pp 1-2, 15-16 . If an MA client has allowable old bills in excess of the deductible amount, the Department applies these expenses towards the client's deductible for future months in accordance with BEM 545. Claimant was advised to submit any outstanding, unpaid medical expenses to the Department for processing in accordance with BEM 545.

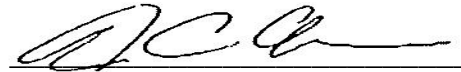
DECISION AND ORDER

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 it calculated Claimant's monthly deductible amount under Claimant's Group 2 MA program.
- did not act properly when .

Accordingly, the Department's decision is

AFFIRMED
 REVERSED
 AFFIRMED IN PART with respect to _____ AND REVERSED IN PART with respect to _____ for the reasons stated above and on the record.



Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: August 24, 2012

Date Mailed: August 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

ACE/hw

cc:

