

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2012-53945  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: June 20, 2012  
Wayne County DHS (15)

**ADMINISTRATIVE LAW JUDGE:** Lynn Ferris

**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 Wednesday, June 20, 2012. The Claimant appeared and testified. [REDACTED], ES appeared on behalf of the Department of Human Services ("Department").

**ISSUE**

1. Whether the Department properly determined the Claimant's Medical Assistance deductible amount?

**FINDINGS OF FACT**

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

1. The Claimant's Medical Assistance benefits were changed due to the Claimant receiving earned income of \$582 monthly.
2. The Department determined that the Claimant was subject to a \$207 per month medical deductible spend down amount. Exhibit 1.
3. The basis for determining Claimant's earned income was not provided at the hearing.
4. The Claimant's total net income as calculated by the Department was \$582.
5. The Claimant's MA Deductible established by the Department was \$207.
6. The Claimant has 3 dependents under the age of 18 living in her household.

7. The Claimant requested a hearing on April 20, 2012, regarding the change in her medical assistance to a spend down deductible coverage.

### **CONCLUSIONS OF LAW**

In the record presented, the Claimant requested a hearing regarding the Department's determination of the Claimant's MA deductible amount. The Department originally prepared the hearing summary on the basis of a food assistance issue, as the Claimant's hearing request did not specify what benefits her request for hearing addressed.

#### **MA deductible**

The Medical Assistance program is established by Subchapter XIX of Chapter 7 of The Public Health & Welfare Act, 42 USC 1397, and is administered by the Department pursuant to MCL 400.10 *et seq* and MCL 400.105. Department policies are found in the BAM, BEM, and BRM.

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. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105 Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program thus are categorized as either FIP-related or SSI-related. BEM 105 To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. BEM 105

FIP- and SSI-related Group 2 eligibility is possible even when net income exceeds the income limit because incurred medical expenses are considered. BEM 105 Eligibility is determined on a calendar month basis. BEM 105 MA income eligibility exists for the calendar month tested when there is no excess income or allowable medical expenses that equal or exceed the excess income. BEM 545 The fiscal group's monthly excess income is called a deductible amount. BEM 545 Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM545 In determining budgetable income for group 2 FIP-related and Healthy Kids MA benefits, BEM 536 is utilized.

In this case the Claimant seeks review of her Medical deductible amount to determine if the Department correctly calculated that amount. Based upon the evidence presented at the hearing it cannot be determined whether the Department correctly calculated the spend down amount because the Claimant's gross earned income amount was not established. BEM 536 is the policy that provides the steps to be followed to determine

the correct net income. It requires that \$90 be deducted from earned income so that total net income can be determined. Based upon the evidence presented at the hearing it cannot be found that the Department has met its burden of proof to establish that the Claimant's deductible was computed in accordance with Department policy found in BEM 536. The Claimant's monthly gross earned income was not presented and was not independently supported by pay stubs presented at the hearing. The net income as determined by the Department based upon the budget provided as evidence cannot be verified as correct.

Given the conclusion reached in this decision, regarding the Department's failure to meet its burden of proof, the Department's determination of the Claimant's spend down deductible is not supported by the evidence submitted and requires the medical spend down amount be recomputed. Accordingly the Department's decision is REVERSED.

**DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds the Department did not correctly compute the Claimant's medical spend down amount and that its determination that the Claimant's deductible is \$244 is incorrect, and is REVERSED.

Accordingly, it is ORDERED:

1. The Department shall recalculate the Claimant's MA spend down amount and re-determine the Claimant's medical spend down amount, if any, which currently applies to the Claimant.
2. Any determination based upon the Department's recalculation shall be retroactive to the date of its last action, establishing the \$207 deductible amount.



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

Date Signed: June 25, 2012

Date Mailed: June 25, 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

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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

LF/hw

cc:

