

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

**IN THE MATTER OF:**



Reg. No.: 201258722  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: September 24, 2012  
County: Oakland (04)

**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 September 24, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Assistance Payment Supervisor.

**ISSUE**

Did the Department properly provide Claimant, her husband, and three of their children with MA coverage with a monthly deductibles?

**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 and her family were receiving MA coverage under the Transitional Medicaid (TMA) program.
2. In connection with an MA redetermination, the Department recalculated Claimant's MA budget.
3. On June 4, 2012, the Department sent Claimant a Notice of Case Action advising her that, effective July 1, 2012, she and her family would no longer be eligible for TMA coverage and would receive MA coverage with monthly deductibles as follows:

\$1525 for Claimant and for her husband; \$2029 for [REDACTED]; and \$2125 for [REDACTED]. [REDACTED] was eligible for full MA coverage with no deductible.

4. On June 12, 2012, Claimant filed a hearing request disputing the Department's action.

### **CONCLUSIONS OF LAW**

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

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 Mich Admin Code, 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, in connection with Claimant's MA redetermination, the Department sent Claimant a June 4, 2012 Notice of Case Action notifying her that, as of July 1, 2012, she and her family were no longer eligible for TMA but were eligible for MA coverage as follows: full MA coverage for Dontavia; MA coverage with \$2029 monthly deductibles for [REDACTED]; MA coverage with a \$2125 monthly deductible for [REDACTED]; and MA coverage with \$1525 monthly deductibles for Claimant and for her husband. Alternatively, the Notice indicated that Claimant and each family member was eligible for TMA-Plus coverage by paying a \$435 per person monthly deductible.

TMA is available to eligible clients for up to 12 months. BEM 111 (January 1, 2012), p 1. At the hearing, the Department explained that Claimant had received TMA for one year and was no longer eligible under that program. TMA-Plus is available after TMA ends, to assist families who are unable to purchase employer-sponsored health care by extending medical coverage through a premium-payment plan. BEM 647 (January 1, 2011), p 1. Clients are eligible for Group 2 FIP-related MA coverage when net income (countable income minus allowable income deductions) does not exceed applicable Group 2 MA protected income levels based on the client's shelter area and fiscal group size. BEM 105 (October 1, 2010), pp 1, 4-5; BEM 132 (October 1, 2010), p 2; BEM 135 (January 1, 2011), pp 1-2; BEM 544 (August 1, 2008), p 1; RFT 240 (July 1, 2007), p 1. If the group's income is in excess of the applicable monthly protected income level, the individuals in the group may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that the individual's monthly income exceeds the protected income levels. BEM 545 (July 1, 2011), pp 1-2.

In this case, the Department failed to produce a FIP-Related MA budgets at the hearing to show how the deductible for each of the members in Claimant's MA group was calculated. Because the Department did not present MA budgets showing the calculation of the deductibles, the Department did not satisfy its burden of showing that it acted in accordance with Department policy in determining that the MA coverage for Claimant and her MA group members was subject to the monthly deductibles indicated in the June 4, 2012 Notice of Case Action. While the Department testified that Claimant's children were provided with MA coverage under the MiChild program beginning July 1, 2012, after Claimant paid monthly \$10 premiums for each child, this coverage does not address whether the Department properly determined that the children were not eligible for full MA coverage and applied the resulting deductible. Furthermore, a child may be eligible for coverage under both MiChild and MA with a deductible. See BEM 655 (October 1, 2009), p 3.

### **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

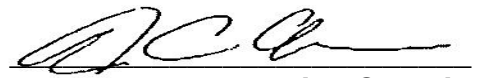
did act properly when .

did not act properly when it failed to show that that it acted in accordance with Department policy when it found that Claimant and her MA group members were eligible for MA coverage with deductibles in the amounts indicated.

Accordingly, the Department's decision is  AFFIRMED  REVERSED for the reasons stated on the record and above.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Begin reprocessing, in accordance with Department policy, the MA eligibility for Claimant and her MA group members and the amount of any applicable monthly deductibles as of July 1, 2012;
2. Provide Claimant and her MA group members with MA coverage they are eligible to receive from July 1, 2012, ongoing;
3. Notify Claimant in writing of its decision in accordance with Department policy.

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

Date Signed: 10/4/2012

Date Mailed: 10/4/2012

**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.

201258722/ACE

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:

