

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-24560  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: May 15, 2013  
County: Oakland (63-02)

**ADMINISTRATIVE LAW JUDGE:** Eric Feldman

**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 May 15, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED]

**ISSUE**

Did the Department properly calculate Claimant's Medical Assistance (MA) deductible effective December 1, 2012, ongoing?

**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's AHR applied for his MA benefits on November 7, 2012, and sought retroactive coverage to September 2012.
2. On November 30, 2012, the Department sent Claimant a Notice of Case Action advising him that, effective September 2012, he would receive Freedom to Work (FTW) MA coverage. Exhibit 1.
3. The November 30, 2012, Notice of Case Action also advised him that, effective November 2012, he would receive AD-Care MA coverage. Exhibit 1.
4. The November 30, 2012 Notice of Case action also advised him that, effective December 1, 2012, ongoing, he would receive Group 2 Spend-Down (G2S) MA coverage with a \$1,530 deductible. Exhibit 1.

5. On January 2, 2013, Claimant filed a request for hearing disputing his MA deductible. Exhibit 1.

### **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.

As a preliminary matter, the Department testified that Claimant's AHR applied only for September 2012 retroactive coverage and not for October 2012. Moreover, Claimant had additional medical expenses from October 2012; however, the Department testified that the medical expense were untimely. See BEM 545 (July 2011), pp. 1-2. Thus, Claimant is only disputing his MA deductible for December 1, 2012, ongoing.

It was not disputed that Claimant's was a disabled and/or an aged individual. As a disabled person, Claimant received Group 2 Spend-Down (G2S) effective December 1, 2012, due to Claimant receiving Retirement, Survivors, and Disability Insurance (RSDI) payments as of December 1, 2012. See SOLQ report, Exhibit 1. G2S is an SSI-related category. BEM 166 outlines the proper procedures for determining G2S eligibility. Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105 (October 2010), p. 1; BEM 166 (October 2010), pp. 1-2; BEM 544 (August 2008), p. 1; RFT 240 (July 2007), p. 1. The monthly PIL for a MA group of one living in Oakland County is \$408 per month. RFT 200 (July 2007), p. 1; RFT 240, p. 1. Moreover, an individual whose monthly income is in excess of \$408 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 PIL. BEM 545, p. 1.

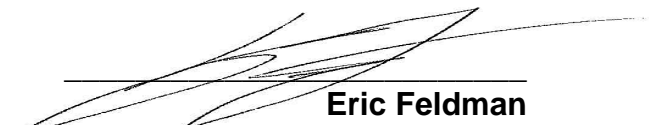
In this case, it was not disputed that Claimant's gross RSDI unearned income was \$1,958 per month. See SOLQ report, Exhibit 1. The Department properly subtracted the \$20 disregard to establish Claimant's total net income for MA purposes at \$1,938. BEM 530 (October 2012), pp. 1-4; BEM 541 (January 2011), p. 1. Claimant's net income of \$1,938 for MA purposes exceeds the monthly protected income level of \$408 by \$1,530. Thus, the Department determined that Claimant would receive MA coverage once he incurs medical expenses in excess of \$1,530 during the month.

Based on the above calculation, the Department properly calculated Claimant's MA deductible.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated above and on the record, finds that the Department properly calculated Claimant's MA deductible.

Accordingly, the Department's MA decision is AFFIRMED.

  
**Eric Feldman**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: May 21, 2013

Date Mailed: May 23, 2013

**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

EJF/pf

cc:

