

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201327360  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: May 22, 2013  
County: Oakland County (#03)

**ADMINISTRATIVE LAW JUDGE: MICHELLE HOWIE**

**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 conducted on Wednesday May 22, 2013 from Detroit, Michigan. Participants on behalf of Claimant included the Claimant and [REDACTED] (Wife). Participant on behalf of Department of Human Services (Department) included [REDACTED] (Family Independence Manager). Aseel Shafou (Department Interpreter for Claimant).

**ISSUE**

Whether the Department properly closed Claimant's ongoing Medical Assistance (MA) and determined the Claimant's deductible amount?

**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 and his wife were Transitional MA recipients as caretakers of a dependent child with a group size of 6.
2. The Department determined the Claimant's receives a monthly standard income of \$1,659.42 based on four paystubs submitted. (Exhibit 1 & 3)
3. The Department determined that Claimant had a net income of \$772.00. (Exhibit 4)

4. As a result, the Department found Claimant and his wife ineligible for ongoing medical assistance due to excess income.
5. On January 28, 2013, the Department sent Claimant Notice of Case Action that he and his wife's ongoing MA case would close, and they would have a medical deductible of \$231.00 per month effective March 1, 2013. (Exhibit 5)
6. On February 1, 2013, the Department received the Claimant's written hearing request disputing the MA deductible amount.

### **CONCLUSIONS OF LAW**

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

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 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 (October 2010), p. 1. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105, p. 1. MA is available to parents and other caretaker relatives who meet certain non- financial and financial eligibility factors. Families who become ineligible for Low Income Family (LIF) MA due to income and have earnings must be considered for Transitional MA (TMA). BEM 111 (October 2012), p. 2. Families may receive TMA for up to 12 months when ineligibility for Low Income Family (LIF) MA relates to income from employment of a caretaker. BEM 111, p. 1. There is set guidelines for income, which determines if an MA group is eligible. Income eligibility factors must be met in the calendar month being tested. BEM 135 (January 2011), p.1.

In general, net income (countable income minus allowable income deductions) must be at or below a certain income level for MA eligibility to exist. BEM 105, p. 1. The MA protected income limit is a set allowance, which is based on shelter area and fiscal group size, for non-medical needs such as food, shelter and incidental expenses. An individual or MA group whose income exceeds the monthly protected income level is ineligible to receive ongoing MA benefits. However, an individual or MA group may become eligible for assistance under the deductible program. A deductible is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. BEM 545 (July 2011), p. 9. 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. The Department will add MA coverage each month the group meets its deductible. BEM 545, p. 9.

In this case, the Claimant's net income (\$772) exceeds the monthly protected income level for a group size of 2 (\$408), by \$231 per month. Claimant and his wife are consequently ineligible to receive ongoing MA benefits. However, under the deductible program, if the Claimant or his wife incurs medical expenses of \$231 during any month, they may then be eligible for MA benefits. Claimant argues that he is unable to pay the deductible per month for his medical expenses, because of limited financial means. While the undersigned does sympathize with the Claimant, there is no jurisdiction to change or alter Department policy or state law. Therefore, I find the Department established it acted in accordance with policy with regards to the MA deductible determination. Notably, the Department testified that the Claimant's MA deductible has been reduced to \$106 per month since the prior determination, based on additional income documentation submitted by the Claimant.

Accordingly, the Department action is upheld.

### **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 established it acted in accordance with policy when it determined the Claimant's MA deductible of \$231 per month.

Accordingly, the Department's MA determination is hereby, **AFFIRMED**.



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**Michelle Howie**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 6/3/2013

Date Mailed: 6/3/2013

**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

MH/hw

cc:

