

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

IN THE MATTER OF:



Reg. No.: 20138527
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: April 11, 2013
County: Wayne County (#18)

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 from Detroit, Michigan on Thursday April 11, 2013. Claimant appeared and testified. Participants on behalf of Department of Human Services (Department) included [REDACTED] (Family Independence Specialist) and [REDACTED] (Analyst).

ISSUE

Whether the Department properly determined Claimant's eligibility for Medical Assistance (MA) benefits?

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 was an ongoing Transitional MA recipient as caretaker of a dependent child.
2. The Claimant works full-time (40 hrs per wk) earning \$10.20 per hour, paid bi-weekly. (Exhibit 3)
3. At redetermination in October 2012, Claimant provided the Department with two paystubs showing gross earnings in the amount of \$780.52 (9/14/12) and \$697.36 (8/31/12). (Exhibit 3)

4. On October 3, 2012, the Department sent Notice of Case Action closing Claimant's Transitional MA (TMA) benefits effective December 1, 2012. (Exhibit 5)
5. On October 15, 2012, the Department sent Notice of Case Action notifying Claimant of having a MA monthly deductible of \$851.00 effective December 1, 2012. (Exhibit 6)
6. On October 22, 2012, the Department received the Claimant's written hearing request disputing the action.

CONCLUSIONS OF LAW

The Department of Human Services (DHS) 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. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive MA under FIP-related categories. BEM 105, p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 105, p. 1. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105, p. 1. The income limit, which varies by category, is for non-medical needs such as food and shelter. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 categories. BEM 105. MA is available to parents and other caretaker relatives who meet certain non- financial and financial eligibility factors. All eligibility factors must be met in the calendar month being tested. BEM 135 (January 2011), p. 1. 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.

A deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545 (July 2011), p. 7. To meet a deductible a client must report and verify allowable medical expenses that equal or exceed the deductible amount for the calendar month the Department will then open the MA case. BEM 545, p. 9. If a client has not met its deductible by submitting allowable medical expenses in a least on of the three calendar months the Department's system will automatically notify the client of closure. BEM 545, p. 9.

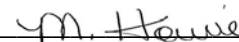
In this case, Claimant was approved for Transitional MA (TMA) from December 1, 2010 until November 30, 2012 as a caretaker relative of a dependent child. At the end of the last 12 month TMA period, Claimant's income did not decrease, nor was she approved for FIP benefits. As a result, the Department was required to consider the Claimant for other MA categories. BEM 111, p. 3. The Department input the Claimant's gross earnings into the system, which automatically generates a monthly income amount based on rate of pay, hours and frequency of pay. The Department has no discretion to do otherwise. In the present case, the system determined Claimant's monthly income was \$1,742.88 based on the paystubs provided. (Exhibit 2) Claimant did not dispute the earnings used by the Department. The gross income was prorated and the net income considered for MA eligibility was \$1,226.00. (Exhibit 4) The net income limit for the Claimant's group size is \$375.00. Claimant has a remaining deductible of \$851.00 for the MA program. (Exhibit 4) The Claimant testified that she cannot afford the deductible amount. While the undersigned sympathizes with the Claimant's position, there is no jurisdiction to alter Department policy or law.

Based on the evidence on record, the Department established it acted in accordance with policy when it closed Claimant's Transitional MA case and opened a MA deductible case effective December 1, 2012. Accordingly, the Department's 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 acted properly when it transferred Claimant from Transitional MA to a MA deductible in the amount of \$851.00 effective December 1, 2012.

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



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

Date Signed: 4/29/2013

Date Mailed: 4/29/2013

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:

