

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201338803
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: June 27, 2013
County: Wayne DHS (55)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 June 27, 2013, from Detroit, Michigan. Participants included the above named-Claimant, [REDACTED] Claimant's daughter, testified on behalf of Claimant and appeared as Claimant's translator. Participants on behalf of the Department of Human Services (DHS) included [REDACTED], Specialist.

ISSUE

The issue is whether DHS properly processed medical expenses towards Claimant's deductible concerning Medical Assistance (MA) eligibility.

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 was an ongoing MA benefit recipient.
2. Claimant and his spouse were eligible for Medicaid, subject to a \$381/month deductible.
3. On 4/3/13, Claimant submitted medical expenses for himself in the amounts of \$50 and \$285.79, and for his spouse in the amounts of \$50 and \$55.
4. DHS determined that Claimant and his spouse each failed to meet their monthly deductible.

5. On 4/22/13, Claimant requested a hearing to dispute the failure by DHS to apply his and his spouse's combined medical expenses towards the monthly deductible.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). DHS administers the MA program pursuant to MCL 400.10, et seq., and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

Claimant requested a hearing to dispute the failure by DHS to apply submitted medical expenses from Claimant and his spouse towards a Medicaid deductible. DHS responded that Claimant's individual expenses and his spouse's individual expenses did not meet the deductible. The DHS response implied that Claimant and his spouse could not combine expenses to meet the deductible.

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 (7/2011), p. 8. DHS is to open an MA case without ongoing Group 2 MA coverage on Bridges as long as: the fiscal group has excess income, and at least one fiscal group member meets all other Group 2 MA eligibility factors. *Id.* Such cases are called active deductible cases. *Id.*, p. 9. Periods of MA coverage are added each time the group meets its deductible. *Id.* The fiscal group's monthly excess income is called a deductible amount. *Id.* Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. *Id.* The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. *Id.*

When one of the following equals or exceeds the group's excess income for the month tested, income eligibility exists for the entire month: old bills, personal care services, hospitalization or long-term care. *Id.*, p. 1. When one of the above does not equal or exceed the group's excess income for the month tested, income eligibility begins either:

- the exact day of the month the allowable expenses exceed the excess income; or
- the day after the day of the month the allowable expenses equal the excess income.

Id.

The above-cited policy concerning how DHS processes medical expenses consistently refers to "group" requirements, not individual requirements. Based on the above DHS policy, it is found that an MA group's medical expenses are to be applied toward the group's deductible. It was not disputed that DHS applied a deductible for each group member incurring medical expenses. Accordingly, DHS failed to apply the group's expenses toward the group's deductible.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly failed to apply Claimant's MA group's medical expenses towards the MA group's deductible. It is ordered that DHS:

- (1) reprocess Claimant's MA group's eligibility for 4/2013 subject to the finding that the group's expenses are to be applied toward the group's deductible; and
- (2) supplement Claimant for any MA benefits improperly not issued.

The actions taken by DHS are REVERSED.



Christian Gardocki
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 7/18/2013

Date Mailed: 7/18/2013

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 affect the substantial rights of the claimant,
 - 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

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cc:

