

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201343335  
Issue No.: [REDACTED]  
Case No.: [REDACTED]  
Hearing Date: July 3, 2013  
County: Ingham

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**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 July 3, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] and [REDACTED]. Participants on behalf of Department of Human Services (Department) included [REDACTED] and [REDACTED].

**ISSUE**

Whether the Department of Human Services (Department) properly determined the Claimant's Medical Assistance (MA) eligibility?

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. The Claimant is an ongoing Medical Assistance (MA) recipient.
2. The Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of [REDACTED] as of April 1, 2013.
3. On March 26, 2013, the Department was approved for Medical Assistance (MA) with a deductible of [REDACTED] as of April 1, 2013.
4. The Department received the Claimant's request for a hearing on April 19, 2013, protesting the change to the level of Medical Assistance (MA) she has been approved for.

## **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). The Department of Human Services (DHS or Department) 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), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (January 1, 2013).

In this case, the Claimant is an ongoing Medical Assistance (MA) recipient. The Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of [REDACTED]. On March 26, 2013, the Department notified the Claimant that she had been approved for Medical Assistance (MA) with a deductible of [REDACTED].

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 242.

The Claimant argued that her net income was the net benefit she receives from social security and the Department should enter this figure into its eligibility budget.

The Department considers the net income to be the gross income amount after certain deductions allowed by policy, and determines eligibility based on this amount. Net income, for the purposes of determining eligibility for Medical Assistance (MA) is determined by reducing countable income by amounts set in policy, such as the general unearned income exclusion. Countable income in this case is the gross benefit issued by the Social Security Administration. Other reductions are available for earned income, which do not apply in this case.

In this case, the Claimant's monthly income exceeds the [REDACTED] income limit to receive full Medical Assistance (MA) without a deductible. RFT 242. After determining that the Claimant's income exceeds the limit to receive full Medicaid without a deductible, the Department determined that the Claimant is eligible for Medical Assistance (MA) with a [REDACTED] deductible after applying the [REDACTED] protected income limit. RFT 240.

The Claimant argued that the Department gave her inadequate notice of her benefit eligibility.

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness. The State Office of Administrative Hearings and Rules ("SOAHR") may grant a hearing for any of the following:

- Denial of an application and/or supplemental payments
- Reduction in the amount of program benefits or service
- Suspension or termination of program benefits or service
- Restrictions under which benefits or services are provided
- Delay of any action beyond the standard of promptness
- For FAP only, the current level of benefits or denial of expedited service. Department of Human Services Bridges Assistance Manual (BAM) 600 (February 1, 2013), p 3.

This Administrative Law Judge finds that any inadequacies in the Department's notice of eligibility or explanation of benefit were harmless error and did not have a negative effect on the Claimant's eligibility for benefits.

The Claimant has the burden of establishing her eligibility to receive benefits, and the evidence does not support a finding that she is eligible for benefits greater than she has been granted by the Department. Based on the evidence and testimony available during the hearing, the Department has established that it properly determined the Claimant's countable income, and properly applied this income to her eligibility to receive Medical Assistance (MA).

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department properly determined that the Claimant is not eligible for full Medical Assistance (MA) due to excess income, and properly determined that she is eligible for Medical Assistance (MA) with a [REDACTED] deductible.

The Department's Medical Assistance (MA) eligibility determination is **AFFIRMED**. It is SO ORDERED.

/s/ \_\_\_\_\_  
Kevin Scully  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 07/16/2013

Date Mailed: 07/16/2013

**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.

201343335/KS

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

KS/sw

cc:

