

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201347188  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: July 25, 2013  
County: Wayne County (#55)

**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 May 13, 2013 request for a hearing. After due notice, a telephone hearing was conducted on Thursday, July 25, 2013, from Detroit, Michigan. Claimant appeared and testified. Participant on behalf of the Department of Human Services (Department) was [REDACTED] (Assistant Payment Worker) and [REDACTED] (Assistant Payment Supervisor).

**ISSUE**

Whether the Department properly determined Claimant would have a Medical Assistance (MA) deductible case?

**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 had an active MA deductible case with her husband.
2. Claimant receives unearned income of \$1138.00/monthly RSDI and \$225.43/monthly Pension.
3. Due to Claimant's earnings, the Department determined Claimant would have an MA deductible in the amount of \$864.00.

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4. The Department sent Claimant notice of the MA deductible.
5. On May 13, 2013, the Department received Claimant's written hearing request disputing the Department's actions regarding the MA benefits.

### **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, net income must be at or below a certain income level for eligibility to exist. BEM 105, p. 1. The protected income limit is a set allowance, which is based on shelter area and 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 MA. 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. If the deductible is not met within one of the three proceedings months the system will automatically generate a notice of case closure for failure to meet the MA deductible.

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In this case, the Claimant's MA deductible was \$1741.00 due to her husband's income being included. Mr. Banay passed away March 13, 2013. Shortly after the hearing request, the Department corrected the action and removed the husband's income. Claimant's remaining net monthly income of \$1344.00 exceeds the monthly protected income level of \$375 for a group size of one. Claimant is consequently ineligible to receive ongoing MA benefits. However, under the MA deductible program, if Claimant incurs or is billed medical expenses to meet the deductible of \$864.00 during any month she will then be eligible for MA coverage for that month. Claimant asserts that she is unable to pay the deductible for medical expenses, because of limited means and her medical needs. While the undersigned does sympathize with 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.

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 the Department acted in accordance with policy when it determined Claimant would have an MA deductible.

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



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

Date Signed: 8/14/2013

Date Mailed: 8/14/2013

**NOTICE**: 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.

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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:

