

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

IN THE MATTER OF:



Reg. No.: 201351595
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: August 13, 2013
County: Wayne County (#41)

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 9, 2013 request for a hearing. After due notice, a telephone hearing was conducted on Thursday, August 8, 2013, from Detroit, Michigan. Claimant appeared and testified. Participant on behalf of the Department of Human Services (Department) was [REDACTED] (Eligibility Specialist).

ISSUE

Whether the Department properly processed Claimant's Medical Assistance (MA) application?

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 applied for MA benefits.
2. Due to Claimant's unearned income, the Department determined Claimant would have a medical deductible case in the amount of \$887.00.
3. On May 30, 2013, the Department sent Claimant notice of approval for the MA deductible.

5. On May 29, 2013, the Department received Claimant's written hearing request protesting the Department 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, 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.

In this case, the Claimant's net monthly income exceeds the monthly protected income level for a group size of one, resulting in excess income and a MA deductible case.

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However, policy provides that clients receiving personal care services in the home, or have other allowable medical expenses that equal or exceed the excess income, may be eligible for ongoing MA coverage. When clients are in need of, or receiving home help personal care, the Department worker is to make a service referral to the Adult Services Unit on behalf of the client. A DHS-390 application is to be completed as the initial request. Here, this was not done. Evidence indicates Claimant receives weekly dialysis treatment, in-home personal care services, and has transportation to medical services expenses. The Department did not properly consider Claimant's allowable medical expenses that were reported timely when it determined Claimant would have a MA deductible. As such, the Department failed to establish it acted in accordance with policy when it processed Claimant's MA application and determined he would have an MA deductible case.

Accordingly, the Department's action is Not 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 did not establish it acted properly when it processed Claimant's MA application.

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

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department shall make a referral to the Adult Services Unit on behalf of Claimant; and re-process the MA case to include the allowable medical expenses that were not considered in accordance with department policy.



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

Date Signed: 8/19/2013

Date Mailed: 8/19/2013

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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.

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:

