

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-65523  
Issue No.: 2018  
Case No.: [REDACTED]  
Hearing Date: October 16, 2013  
County: Oakland (63-03)

**ADMINISTRATIVE LAW JUDGE:** Alice C. Elkin

**HEARING DECISION**

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on October 16, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED]

**ISSUE**

Did the Department properly determine that Claimant was eligible for Medical Assistance (MA) coverage subject to a deductible?

**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 recipient of MA under the Group 2 Caretaker (G2C) program.
2. Claimant reported new employment, and the Department recalculated her MA eligibility.
3. On June 3, 2013, the Department sent Claimant a Notice of Case Action notifying her that effective July 1, 2013, she was eligible for MA under the G2C program subject to a monthly \$192 deductible.

4. On June 13, 2013, Claimant submitted a Verification of Employment (VOE) reporting new income to the Department.
5. On August 16, 2013, Claimant filed a request for hearing disputing the Department's actions.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

Additionally, Claimant had been receiving MA coverage under the G2C program without a deductible. When Claimant began employment and reported her income, the Department recalculated her eligibility and determined that she was eligible for G2C coverage subject to a monthly deductible. In a June 3, 2013, Notice of Case Action, the Department notified Claimant that, effective July 1, 2013, her MA coverage would be subject to a monthly \$192 deductible. The Department subsequently received a VOE on June 13, 2013, from Claimant's employer and recalculated Claimant's deductible, finding that her MA coverage was subject to a monthly \$247 deductible.

Claimant identified herself as disabled, and during the course of the hearing, the Department acknowledged that it was aware of Claimant's allegation. However, it testified that it did not consider Claimant's eligibility under an SSI-related MA program, which is available to disabled individuals, because, as the parent caretaker of a dependent child, Claimant was eligible for MA coverage under the FIP-related G2C program. As such, she did not need a disability determination by the Medical Review Team (MRT) to qualify for MA coverage.

There are two categories of MA coverage: FIP-related MA and SSI-related MA. MA under an SSI-related category is available to persons who are aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. BEM 105 (October 2010), p. 1. MA under an FIP-related category is available to families with dependent children, caretaker relatives of dependent children, persons under age 21, and pregnant (or recently pregnant) women. BEM 105, p. 1. Persons may qualify under more than one MA category, and federal law gives them the right to the most beneficial category. BEM 105, p. 2. The most beneficial category is the one that results in eligibility or the least amount of excess income. BEM 105, p. 2. The client may not be aware of the most beneficial category, which may change when a client's circumstances change, and the

Department must consider all MA category options in order for the client's right of choice to be meaningful. BEM 105, p. 2.

In this case, although the Department testified that it considered certain paystubs submitted by Claimant in prospecting her monthly income for MA purposes, a review of the documentation submitted by the Department shows that the Department actually considered the VOE completed by Claimant's employer. Based on 27 hours of weekly employment, at \$9 per hour, as reflected on the VOE, the Department properly concluded that Claimant's gross monthly income is \$972. BEM 530, pp. 2-3. Based on this income and taking into account the applicable disregard under policy, Claimant may be eligible for full-MA coverage under the Ad-Care program if she can establish a disability in accordance with Department policy. See BEM 541 (January 2011), p. 3; BEM 163 (October 2010), p. 2; RFT 242 (April 2013), p. 1. Because coverage under the Ad-Care program would provide more beneficial coverage to Claimant than her MA coverage under the G2C program subject to a \$247 monthly deductible, the Department did not act in accordance with Department policy when it failed to consider Claimant's MA eligibility under SSI-related categories.

### **DECISION AND ORDER**

Accordingly, the Department's decision is REVERSED.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reinstate Claimant's MA coverage for G2C coverage with no deductible effective July 1, 2013;
2. Process Claimant's MA eligibility under SSI-related categories for July 1, 2013, ongoing and determine the most beneficial program for Claimant;
3. Provide Claimant with the most beneficial MA coverage she is eligible to receive from July 1, 2013, ongoing; and
4. Notify Claimant in writing of its decision.



**Alice C. Elkin**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: October 23, 2013

Date Mailed: October 24, 2013

**NOTICE OF APPEAL:** 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

ACE/pf

cc:

