

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

**IN THE MATTER OF:**

████████████████████  
████████████████████  
████████████████████

Reg. No.: 2014-3447  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: December 12, 2013  
County: Oakland (63-02)

**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 December 12, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant ██████████  
████████████████████ Participants on behalf of the  
Department of Human Services (Department) included ██████████  
██████████

**ISSUES**

1. Did the Department properly close Claimant's Medical Assistance (MA) coverage under the Ad-Care program?
2. Did the Department properly provide Claimant with MA coverage subject to a \$936 monthly 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 is an ongoing recipient of MA coverage.
2. In connection with Claimant's redetermination, the Department became aware that Claimant began receiving monthly Retirement, Survivors and Disability Insurance (RSDI) benefits.

3. On September 4, 2013, the Department sent Claimant a Notice of Case Action notifying him that he was eligible for MA subject to a monthly \$936 deductible effective September 1, 2013.
4. On September 24, 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 disputed the Department's conclusion that he was eligible for MA subject to a monthly \$936 deductible.

Claimant was receiving full-coverage MA under the Ad-Care program. However, the Department testified that Claimant was no longer eligible for Ad-Care because his income exceeded the income limit under the program. See BEM 163 (July 2013), p. 2. The net income limit for Ad-Care eligibility for a MA group with only a single member is \$958. RFT 242 (April 2013), p. 1; BEM 211 (July 2013), pp. 8-9.

In this case, Claimant confirmed that he received monthly RSDI income of \$1,364. Applying a \$20 unearned income disregard results in Claimant having net unearned income of \$1,344. See BEM 541 (July 2013), p. 3. Because Claimant's net unearned income of \$1,344 exceeded the Ad-Care net income limit of \$958, the Department acted in accordance with Department policy when it closed Claimant's MA case under the Ad-Care program.

The Department testified that, although Claimant was not eligible for full-coverage MA, he was eligible for MA with a monthly \$936 deductible. Clients are eligible for Group 2 MA coverage when their net income less any allowable needs deductions exceeds the applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (July 2013), p. 1; BEM 166 (July 2013), p. 2; BEM 544 (July 2013), p. 1; RFT 240 (July 2007), p. 1. In such cases, the client is eligible for Group 2 MA coverage under the deductible program with the deductible equal to the amount that the client's monthly income exceeds the PIL. BEM 545 (July 2011), p. 2.

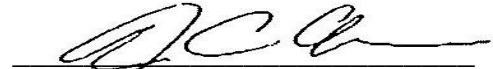
The monthly PIL for an MA fiscal group size of one living in Washtenaw County is \$408 per month. RFT 200 (July 2007), p. 1; RFT 240, p. 1. Thus, if Claimant's net income is in excess of \$408, he may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that his monthly income exceeds \$408.

In this case, the Department produced an SSI-Related MA budget showing how the deductible in Claimant's case was calculated. As discussed above, Claimant's net income totaled \$1,344. See BEM 530 (July 2013), p. 1; BEM 541, p. 3. The evidence at the hearing established that Claimant was not eligible for any needs deductions. BEM 544, pp. 1-2. Because Claimant's net income of \$1,344 exceeded the applicable \$408 PIL by \$936, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for MA coverage subject to a monthly \$936 deductible.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it closed Claimant's Ad-Care case and found him eligible for MA subject to a \$936 monthly deductible.

**DECISION AND ORDER**

Accordingly, the Department's decision is AFFIRMED.



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

Date Signed: December 17, 2013

Date Mailed: December 17, 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: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]