

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-14029  
Issue Nos.: 2018, 2026  
Case No.: [REDACTED]  
Hearing Date: April 25, 2013  
County: Oakland (63-04)

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

**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 April 25, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

**ISSUE**

Did the Department properly provide Claimant Medical Assistance (MA) coverage with a \$1,161 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 was an ongoing recipient of MA.
2. In September 2012, Claimant began receiving Retirement, Survivors and Disability Insurance (RSDI) income, and the Department recalculated Claimant's MA eligibility.
3. On September 26, 2012, the Department sent Claimant a Notice of Case Action, notifying her that, effective November 1, 2012, her MA coverage under the Ad-Care program would close and she would receive MA coverage with a \$1,161 monthly deductible.

4. On November 21, 2012, Claimant filed a hearing request, disputing the Department's action.

### **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), and Department of Human Services 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.

Additionally, Claimant was receiving MA coverage under the Ad-Care program, which provides full MA coverage to individuals who meet the net income limit. BEM 163 (October 1, 2010), p. 1. After Claimant began receiving RSDI income, the Department recalculated Claimant's MA eligibility and found that Claimant was no longer income eligible for Ad-Care coverage. On September 26, 2012, the Department sent Claimant a Notice of Case Action notifying her that, effective November 1, 2012, her Ad-Care case would close and she would receive MA coverage with a monthly \$1,161 deductible. Claimant requested a hearing disputing the Department's actions.

#### **Closure of Ad-Care Case**

The applicable income limit under the Ad-Care program at the time the Department intended to close Claimant's Ad-Care case for a two-member MA fiscal group (which consisted of Claimant and her husband) was \$1,261. BEM 163, p. 2; BEM 211 (November 1, 2012), pp. 5-6; RFT 242 (May 1, 2012), p. 1.

In this case, the Department testified that Claimant's household's gross income in November 2012 consisted of Claimant's gross monthly RSDI income of \$1,722, which Claimant verified. Claimant's gross monthly unearned income of \$1,722 is reduced by a \$20 disregard, resulting in a net unearned income of \$1,702. BEM 163 (October 1, 2010), p. 2; BEM 165 (October 1, 2010), p. 6; BEM 530 (October 1, 2012); BEM 541 (January 1, 2011), p. 3.

Because Claimant's group's net income of \$1,702 exceeded the \$1,261 income limit under the Ad-Care program, the Department acted in accordance with Department policy when it closed Claimant's MA coverage under the Ad-Care program.

#### **MA Deductible**

The Department testified that, although Claimant was not eligible for full-coverage MA, she was eligible for MA with a monthly \$1,161 deductible. Clients are eligible for Group

2 MA coverage when their net income (countable income minus allowable income deductions) does not exceed applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (October 1, 2010), p. 1; BEM 166 (October 1, 2010), pp. 1-2; BEM 544 (August 1, 2008), p. 1; RFT 240 (July 1, 2007), p. 1.

The monthly PIL for an MA group size of two (Claimant and her husband) living in Oakland County is \$541 per month. RFT 200 (July 1, 2007), p. 1; RFT 240, p. 1. If Claimant's group's net income is in excess of \$541, the group may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that the individual's monthly income exceeds \$541. BEM 545 (July 1, 2011), p. 2.

In this case, the Department produced an SSI-Related MA budget to show how the deductible in Claimant's case was calculated. As discussed above, the net income for Claimant's group totaled \$1,702. BEM 541 (January 1, 2011), p. 3. There was no evidence presented that Claimant had any eligible expenses. See BEM 544, pp. 1-2. Because Claimant's \$1,702 net income exceeded the \$541 PIL by \$1,161, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for MA coverage with a \$1,161 monthly deductible.

### **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 that the Department acted in accordance with Department policy when it closed Claimant's Ad-Care case and provided MA coverage with a monthly \$1,161 deductible. Accordingly, the Department's decision is AFFIRMED.



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

Date Signed: May 2, 2013

Date Mailed: May 2, 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.

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

ACE/pf

cc:

