

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201316421  
Issue No.: 2018; 2026  
Case No.: [REDACTED]  
Hearing Date: May 1, 2013  
County: Wayne (19)

**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 May 1, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED], Claimant's wife. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

**ISSUE**

Did the Department properly close Claimant's and his wife's Medical Assistance (MA) coverage under the Ad-Care program?

Did the Department properly provide Claimant and his wife with MA coverage with a \$1042 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 and his wife had separate cases and were each ongoing recipients of MA coverage under the Ad-Care program.
2. In connection with a November 2012 redetermination, the Department put Claimant and his wife in the same MA group and, as a result, determined that they were no longer eligible for Ad-Care coverage.

3. On November 16, 2012, the Department sent Claimant a Notice of Case Action, notifying him and his wife that their Ad-Care coverage would close effective December 1, 2012 and they would receive MA coverage with a monthly \$1042 deductible.
4. On November 22, 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 and his wife both receive SSI-related MA, which is available to individuals who are aged (over age 64), blind or disabled. See BEM 166 (October 1, 2010), p 1. In connection with Claimant's November 2012 MA redetermination, the Department realized that Claimant and his wife were in separate MA groups. The fiscal and asset group of an adult receiving SSI-related MA consists of the adult and his or her spouse. BEM 211 (November 2012), pp 5-6. Therefore, the Department properly included Claimant and his wife in the same MA group.

The Department recalculated Claimant's MA budget based on a group size of two, to include Claimant's and his wife's gross monthly RSDI income. The Department did not provide a Notice of Case Action at the hearing showing its action following that recalculation, but testified at the hearing that effective December 1, 2012, it closed Claimant's and his wife's MA coverage under the Ad-Care program based on excess income and provided them with MA coverage with monthly \$1042 deductibles.

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

The income limit under the Ad-Care program as of December 2012 where there are two members in the fiscal group is \$1261. BEM 163 (October 2010), p 2; RFT 242 (May 1, 2013), p 1.

The Department testified that Claimant's household's gross income in December 2012 consisted of Claimant's gross monthly Retirement, Survivors and Disability Insurance (RSDI) income of \$718 and his wife's gross monthly RSDI income of \$844. Claimant verified the RSDI income amounts. The total of these income sources is \$1562. Claimant's gross monthly unearned income of \$1562 reduced by a \$20 disregard results in a net unearned income of \$1542. See BEM 163, p 2; BEM 530 (October 2012);

BEM 541 (January 2011), p 3. Because Claimant's household's net income of \$1542 exceeded the \$1261 income limit under the Ad-Care program, the Department acted in accordance with Department policy when it closed Claimant's and his wife's MA coverage under Ad-Care.

MA Deductible

The Department testified that, although Claimant and his wife were not eligible for full-coverage MA, they were eligible for MA with a monthly \$1042 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 2010), p 1; BEM 166, 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 his wife) living in Wayne County is \$500. RFT 200 (July 1, 2007), p 1; RFT 240, p 1. If Claimant's group's net income is in excess of \$500, 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 \$500. See 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 \$1542. 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 \$1542 net income exceeded the \$500 PIL by \$1042, the Department acted in accordance with Department policy when it concluded that Claimant and his wife were eligible for MA coverage with a \$1042 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 and his wife's MA coverage under the Ad-Care program and provided MA coverage with a monthly \$1042 deductible. Accordingly, the Department's decision is AFFIRMED.



**Alice C. Elkin**

Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 5/7/2013

Date Mailed: 5/7/2013

**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/hw

cc:

