

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

**IN THE MATTER OF:**



Reg. No.: 201330433  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: May 29, 2013  
County: Oakland (02)

**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 29, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Family Independence Manager.

**ISSUE**

Did the Department properly provide Claimant with Medical Assistance (MA) with a monthly \$1341 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.
2. On January 8, 2013, the Department notified Claimant that he was eligible for ongoing MA coverage with a monthly \$1341 deductible.
3. On February 11, 2013, Claimant filed a request for hearing concerning the Department's calculation of his monthly deductible.

## **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, the January 8, 2013 Notice of Case Action the Department sent Claimant notified him that he was eligible for MA coverage subject to a \$1341 monthly 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 one (Claimant) living in Wayne County is \$375 per month. RFT 200 (July 1, 2007), p 1; RFT 240, p 1. If Claimant's net income is in excess of \$375, he may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that his monthly income exceeds \$375. See BEM 545 (July 1, 2011), p 2.

In this case, the Department presented an SSI-Related MA budget for Claimant for January 2013, showing the calculation of the \$1341 deductible. The budget shows that the only income Claimant received was \$1766 in unearned income, which Claimant verified was his gross monthly Retirement, Survivors and Disability Insurance (RSDI) income. Reducing this income by the \$20 disregard results in net income of \$1746, consistent with amount shown on the budget. BEM 503 (October 1, 2012), p 1; see also BEM 530 (October 1, 2012); BEM 541 (January 1, 2011), p 3; BEM 544 (August 1, 2008), p 1. However, the budget then shows another \$30 reduction in the net income to bring Claimant's countable income to \$1716. Because the evidence at the hearing showed that Claimant did not have any monthly insurance premiums and had not presented documentation of any ongoing medical expenses to the Department, Claimant was not eligible for further deductions to his net income. See BEM 541, pp 1-6. The Department had no explanation for the additional \$30 reduction in Claimant's net income. Because the Department could not establish how it calculated Claimant's countable income, it did not satisfy its burden of showing that it acted in accordance with Department policy when it calculated the 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 did not satisfy its burden of showing that it acted in accordance with Department policy when it provided Claimant with MA coverage with a monthly \$1341 deductible. Accordingly, the Department's decision is REVERSED.

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

1. Begin recalculating Claimant's MA deductible effective January 1, 2013, in accordance with Department policy and consistent with this Hearing Decision;
2. Provide Claimant with MA coverage he is eligible to receive from January 1, 2013, ongoing; and
3. Notify Claimant in writing of its decision in accordance with Department policy.



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

Date Signed: 6/12/2013

Date Mailed: 6/12/2013

**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,

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- 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:

