

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

**IN THE MATTER OF:**



Reg. No.: 201331953  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: June 6, 2013  
County: Oakland County (#04)

**ADMINISTRATIVE LAW JUDGE: MICHELLE HOWIE**

**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 conducted on Thursday, June 6, 2013, from Detroit, Michigan. The Claimant appeared and testified. Participant on behalf of Department of Human Services (Department) was [REDACTED] (Eligibility Specialist).

As a preliminary matter, the Claimant testified on record that the hearing representative noted on the hearing request was no longer his representative because she was no longer his caregiver.

**ISSUE**

Whether the Department properly closed Claimant's ongoing Medical Assistance (MA) and determined he would have an MA 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. The Claimant was an ongoing MA recipient with a group size of 1.
2. The Claimant previously received SSI income, but currently receives RSDI income of \$1046/monthly.

3. On January 29, 2013, the Department sent Claimant Notice of Case Action that his ongoing MA benefits would close and he would have a MA deductible, as of February 1, 2013.
4. On February 20, 2013 the Department received Claimant's written hearing request disputing the Department action.

### **CONCLUSIONS OF LAW**

The Department of Human Services (DHS) policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the 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.

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105 (October 2010), p. 1. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105, p. 1. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive MA under FIP-related categories. BEM 105, p. 1.

For MA benefits net income must be at or below a certain income level for eligibility to exist. BEM 105, p. 1. The protected income limit is a set allowance, which is based on shelter area and group size, for non-medical needs such as food, shelter and incidental expenses. An individual or MA group whose income exceeds the monthly protected income level is ineligible to receive MA. However, an individual or MA group may become eligible for assistance under the deductible program. A deductible is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. BEM 545 (July 2011), p. 9. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545, p. 9. The Department will add MA coverage each month the group meets its deductible. BEM 545, p. 9.

In this case, the Claimant's countable net income after allowable deductions is \$1009.00, which exceeds the monthly protected income level for a group size of 1 (\$408) by \$601 per month. RFT 240 (July 2007) RSDI income is treated differently than

SSI income when determining eligibility for MA benefits. SSI income is excluded but the gross amount of RSDI income is countable. Evidence shows Claimant receives RSDI, rather than SSI income as previously determined. Claimant is consequently ineligible to receive ongoing MA benefits. However, under the deductible program, if the Claimant incurs medical expenses of \$601 during any month, he may then be eligible for MA benefits. Claimant argues that he is unable to pay the deductible per month for his medical expenses, because of limited means. While the undersigned does sympathize with the Claimant, there is no jurisdiction to change or alter Department policy or state law. Therefore, I find the Department established it acted in accordance with policy with regards to the MA deductible determination.

Accordingly, the Department's action is upheld.

### **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 policy when it closed Claimant's ongoing MA case and determined he would have a MA deductible of \$601 effective February 1, 2013.

Accordingly, the Department's MA and FAP decision is hereby, **AFFIRMED**.

*M. Howie*

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

Date Signed: 6/19/2013

Date Mailed: 6/19/2013

**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

MH/hw

cc:

