

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201332658  
Issue No.: 2018  
Case No.: [REDACTED]  
Hearing Date: 04/01/2013  
County: Wayne Count (#17)

**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 from Detroit, Michigan on Monday April 1, 2013. Participants on behalf of Claimant included the Claimant and [REDACTED] (Department Interpreter). Participants on behalf of Department of Human Services (Department) included [REDACTED] (Family Independence Manager) and [REDACTED] (Assistant Payment Worker).

**ISSUE**

Whether the Department properly closed the Claimant's medical assistance ("MA") deductible case?

**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 and her spouse were Group 2 MA deductible recipients.
2. On October 16, 2012, the Department sent a Notice of Case action to Claimant Notifying that the MA deductible case would close for the Claimant and her spouse effective November 1, 2012, due to the required deductible not being met for three months.
3. In February 2013, the Department processed a redetermination for the Claimant. FAP benefits were recertified, but the MA deductible case remained

closed.

4. On February 25, 2013, the Department received the Claimant's written hearing request disputing the FAP and MA action.

### **CONCLUSIONS OF LAW**

As a preliminary matter the hearing dispute cited an issue action taken against the Claimant's Food Assistance Program (FAP). Claimant testified that all issues pertaining to FAP benefits were resolved. She is satisfied with the action taken by the Department in regards to the FAP benefits.

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.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 105, p. 1. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105, p. 1. The income limit, which varies by category, is for non-medical needs such as food and shelter. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 categories. BEM 105. MA is available to parents and other caretaker relatives who meet certain non- financial and financial eligibility factors. All eligibility factors must be met in the calendar month being tested. BEM 135 (January 2011), p.1.

A deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545 (July 2011), p. 7. To meet a deductible a client must report and verify allowable medical

expenses that equal or exceed the deductible amount for the calendar month the Department will then open the MA case. BEM 545, p. 9. If a client has not met its deductible by submitting allowable medical expenses in a least on of the three calendar months the Department's system will automatically notify the client of closure. BEM 545, p. 9.

In this case, the Claimant and her spouse were approved for a Group 2 MA deductible case, based on the group income with a family of 6. The children have an active MA case. Claimant did not dispute the amount of income considered by the Department in the budget computation for MA eligibility. The Claimant further acknowledged that she did not meet the monthly deductible by reporting and verifying allowable medical expenses within the three calendar months as required. As a result, the Department's system automatically sent notification of MA closure effective November 1, 2012. Claimant asserts that she was not aware of the requirement to submit medical expenses to the Department because of the language barrier between herself and the worker. She acknowledged receipt of the notifications sent by the Department regarding the MA deductible process and requirements. Notably, the Claimant has not submitted proof of medical expenses to the Department as of the date of hearing. She was told that she could reapply for MA benefits at anytime by submitting proof of medical expenses for either herself or her spouse. Therefore, based on the evidence on record, the Department established it acted in accordance with policy when it closed the Claimant's MA deductible case. The Claimant may reapply for MA benefits at any time and submit allowable medical expenses for consideration that will be processed in accordance with Department policy. In addition, the Claimant is encouraged to request and utilize the Department's local office interpreters (if available) as needed.

Accordingly, the Department's action in regards to the Group 2 MA deductible benefits 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 the Claimant's MA deductible case effective November 1, 2012 for failure to meet the monthly deductible for three months.

Accordingly, the Department's MA determination is hereby, **AFFIRMED**.



---

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

Date Signed: 4/4/2013

Date Mailed: 4/5/2013

**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:

