

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

IN THE MATTER OF:



Reg. No.: 201334174
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: July 31, 2013
County: Macomb County (#20)

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 March 8, 2013 request for a hearing. After due notice, a telephone hearing was conducted on Wednesday, July 31, 2013, from Detroit, Michigan. Claimant appeared and testified. Participant on behalf of the Department of Human Services (Department) was [REDACTED] (Eligibility Specialist).

ISSUE

Whether the Department properly closed 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. Claimant had an active MA deductible case.
2. On April 1, 2013, the Department closed the MA deductible case due to the deductible not being met in at least one of the last three months.
3. On March 1, 2013, the Department sent Claimant notice of closure of the MA deductible case.

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4. On March 8, 2013, the Department received Claimant's written hearing request concerning the MA closure.

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. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled.

In addition, clients must meet financial eligibility factors. In general, net income must be at or below a certain income level for MA 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 ongoing 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. If the deductible is not met within one of the three proceedings months the system will automatically generate a notice of case closure for failure to meet the MA deductible.

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In this case, the Claimant receives monthly RSDI and pension income. As a result, his net monthly income exceeds the monthly protected income level for a group size of one (\$408.00). Claimant is consequently ineligible to receive ongoing MA benefits. However, under the deductible program, if Claimant incurs medical expenses to meet his deductible amount during any month he will be eligible for MA coverage for that month. Claimant testified that he did not incur any medical expenses for the last three months but still needs the MA coverage. While the undersigned does sympathize with 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 when it closed Claimant's MA deductible case for failure to meet the deductible for three consecutive months. Claimant may reapply for MA benefits at any time.

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 the Department established it acted properly when it closed Claimant's MA deductible case effective April 1, 2013.

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



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

Date Signed: 8/14/2013

Date Mailed: 8/14/2013

NOTICE: 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

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Michigan Administrative hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

MH/hw

cc:

