

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

IN THE MATTER OF:

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Reg. No.: 2013-37202
Issue No.: 2026
Case No.: ██████████
Hearing Date: July 24, 2013
County: Oakland (03)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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, an in person hearing was held on July 24, 2013, from Walled Lake, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████, Assistance Payments Worker, and ██████████ Assistance Payments Supervisor.

ISSUE

Did the Department properly close Claimant's Medical Assistance (MA) coverage under the Group 2 Senior Disabled program and provide Claimant with MA coverage subject to a monthly \$557 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. In connection with a redetermination, the Department recalculated Claimant's MA eligibility. The Claimant was receiving at the time RSDI in the amount of \$987. Exhibit 5 and 6.
2. In an March 28, 2013 Notice of Case Action, the Department notified Claimant that, effective April 1, 2013 her MA coverage would close and she would receive MA coverage subject to a \$557 monthly deductible. Exhibit 2

3. On April 13, 2013, Claimant filed a hearing request, disputing the Department's actions.

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.

In her request for hearing filed on April 13, 2013, Claimant requested a hearing concerning her Medical Assistance (MA) case regarding a Notice of Case Action that notified Claimant of the conversion of her MA case to a deductible case.

MA Deductible

In this case, Claimant verified her gross monthly RSDI income of \$987. The Department testified that, although Claimant was not eligible for full-coverage MA, she was eligible for MA with a monthly \$557 deductible. Clients are eligible for Group 2 MA coverage when their net income (countable income minus allowable income deductions) does not exceed the 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 living in Oakland County is \$408 per month. RFT 200 (July 1, 2007), p 1; RFT 240, p 1. Thus, if Claimant's net income is in excess of \$408, she may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly income exceeds \$408. BEM 545 (July 1, 2011), p 2.

In this case, the Department produced a SSI-Related MA budget showing how the deductible in Claimant's case was calculated. As discussed above, Claimant's net unearned income totaled \$967 after deducting a \$20 general exclusion. BEM 530 (October 1, 2012), p 1; BEM 541 (January 1, 2011), p 3. The evidence at the hearing showed that Claimant had not presented the Department with any medical expenses she incurred prior to the hearing date that qualified as need items under policy. An insurance premium of \$1.33 was also deducted from the net income of \$967 leaving a Net Income of \$965.67. See BEM 541; BEM 544.

Because Claimant's net income of \$965.67 for MA purposes exceeds the monthly protected income level of \$408 by \$557, it is determined that the Department properly calculated Claimant's monthly \$557 MA deductible in accordance with Department policy.

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 calculated that the Claimant was subject to a monthly \$557 deductible.

Accordingly, the Department's MA decision establishing a deductible is AFFIRMED.



Lynn M. Ferris
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: August 13, 2013

Date Mailed: August 13, 2013

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

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

LMF/cl

cc:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]