

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 2013-42005  
Issue No: 2026  
Case No: [REDACTED]  
Hearing Date: May 21, 2013  
Macomb-12 County DHS

**ADMINISTRATIVE LAW JUDGE:** Corey A. Arendt

**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 21, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of Department of Human Services (Department) included [REDACTED].

**ISSUE**

Whether the Department properly closed Claimant's Medical Assistance (MA) case?

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. From January 2013 through March 2013, the Claimant was approved for MA benefits with a deductible.
2. From January 2013 through March 2013, the Claimant failed to meet his deductible in any of the three months.
3. On April 1, 2013, the Department sent the Claimant a notice of case action. The notice indicated the Claimant's MA case was closing effective May 1, 2013 for failing to meet his deductible amount in January, February or March of 2013.
4. In April of 2013, the Claimant submitted a sufficient number of bills to reach his March 2013 deductible amount.
5. On April 22, 2013, the Claimant requested a hearing to dispute the MA closure.

## CONCLUSIONS OF LAW

The client has the right to request a hearing for any action, failure to act or undue delay by the department. BAM 105. The department provides an administrative hearing to review the decision and determine its appropriateness. BAM 600.

The regulations that govern the hearing and appeal process for applicants and recipients of public assistance in Michigan are contained in the Michigan Administrative Code (Mich Admin Code) Rules 400.901 through 400.951. An opportunity for a hearing shall be granted to a recipient who is aggrieved by an agency action resulting in suspension, reduction, discontinuance, or termination of assistance. Mich Admin Code 400.903(1).

The Medical Assistance (MA) program was established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The department administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies for the MA programs are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), the Bridges Reference Manual (BRM), and the Reference Tables Manual (RFT).

The MA program is also referred to as Medicaid. BEM 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.

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. Active Deductible cases will be opened on Bridges without ongoing Group 2 MA coverage as long as:

- The fiscal group has excess income, and
- At least one fiscal group member meets all other Group 2 MA eligibility factors. BEM 545.

**Periods of MA coverage are added each time the group meets its deductible. BEM 545.** Each calendar month is a separate deductible period. BEM 545. The first deductible period:

- Cannot be earlier than the processing month for applicants.
- Is the month following the month for which MA coverage is authorized for recipients. BEM 545.

According to policy, the fiscal group's monthly excess income is called a deductible amount. BEM 545. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545.

The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. BEM 545. Department policy BAM 130 explains verification and timeliness standards. BEM 545.

The department is authorized to close an active deductible case when any of the following occur:

- No one in the group meets all nonfinancial eligibility factors.
- Countable assets exceed the asset limit.
- The group fails to provide needed information or verification. BEM 545.

**The department is instructed to add periods of MA coverage each time the group meets its deductible. BEM 545.** An exception exists when the client is eligible for (or receiving) benefits through the Adult Medical Program (AMP) which is governed by BEM 640.

The department will redetermine MA eligibility for active deductible cases at least every 12 months unless the group has not met its deductible within the past three months. BEM 545. If a group has not met its deductible in at least one of the three calendar months before that month and none of the members are QMB, SLM or ALM eligible,

Here, the Claimant did not meet his deductible for the three calendar months immediately preceding April 1, 2013. However, in the month of April (a month the Claimant was approved to receive MA benefits), the Claimant met his deductible. Therefore, the Department in accordance with BEM 545 should have added an additional period of MA coverage.

Therefore, based on material, competent and substantial evidence, this Administrative Law Judge finds that the Department improperly determined the claimant's MA eligibility.

**DECISION AND ORDER**

I find, based upon the above Findings of Fact and Conclusions of Law the Department did not act properly.

Accordingly, the Department's MA 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. Initiate a redetermination as to the Claimant's eligibility for MA benefits beginning May 1, 2013 and issue retroactive benefits if otherwise eligible and qualified.



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Corey A. Arendt  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: May 22, 2013

Date Mailed: May 22, 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:

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- 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

CAA/las

cc:

