

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201344304
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: July 10, 2013
County: Wayne County (#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 May 3, 2013 request for a hearing. After due notice, a telephone hearing was held on Wednesday, July 10, 2013, from Detroit, Michigan. The Claimant appeared and testified. Participant on behalf of Department of Human Services (Department) was [REDACTED] (Eligibility Specialist).

ISSUE

Due to excess income, did the Department properly determine Claimant would have a Medical Assistance (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. Claimant applied for benefits for: received benefits for:

- | | |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP). | <input type="checkbox"/> Adult Medical Assistance (AMP). |
| <input type="checkbox"/> Food Assistance Program (FAP). | <input type="checkbox"/> State Disability Assistance (SDA). |
| <input checked="" type="checkbox"/> Medical Assistance (MA). | <input type="checkbox"/> Child Development and Care (CDC). |

2. The Department closed the ongoing MA case and determined Claimant would have a MA deductible of \$729.00/monthly due to excess income.
3. The Department sent Notice of Case Action to Claimant of the MA deductible.
4. On May 3, 2013, Claimant filed a hearing request, protesting the 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 (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.

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. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. 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. 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

Families who become ineligible for Low Income Family (LIF) MA due to income and have earnings must be considered for Transitional MA (TMA). BEM 110 (June 2013), p. 2. Families may receive TMA for up to 12 months when ineligibility for (LIF) MA is due to income from employment of a caretaker. BEM 111, p. 1.

In this case, the Claimant, as the parent of a dependent child (SSI-recipient) receives earned income from employment. The Department determined the Claimant's monthly income of \$1104.00 exceeds the income limit for Low Income Family MA coverage. The LIF monthly income limit for a group size of one is \$307.00. As a result the Department determined Claimant eligible for Group 2 – FIP Related MA with a deductible of \$729. 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.

Policy requires that LIF groups are transferred to Transitional MA (TMA) before determining eligibility for other MA categories when: 1) the group was eligible for FIP or LIF in three of the six months preceding the month of ineligibility.; 2) LIF ineligibility was due to excess earned income; and 3) earnings of the child's parent or caretaker in the LIF determination is greater than zero. Here this was not done. Evidence indicates the Claimant met the requirements for TMA. The Department did not show that Claimant's LIF coverage was transferred to Transitional MA as required before being considered for the MA deductible coverage. As a result the Department did not establish that it acted in accordance with policy when it determined Claimant was no longer eligible for ongoing MA, but would have a deductible.

Accordingly, the Department's action is NOT UPHOLD.

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 did not establish it acted properly when it closed the ongoing LIF MA and determined Claimant would have an MA deductible due to excess income.

Accordingly, the Department's AMP FIP FAP MA SDA CDC decision is hereby, **REVERSED**.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department shall reinstate the LIF-MA benefits to the date of effective closure.
2. The Department shall determine the Claimant's eligibility to transfer from LIF-MA to TMA and process in accordance with policy.
3. The Department shall notify Claimant in writing of the action taken in regards to the Transitional MA eligibility.



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

Date Signed: 7/29/2013

Date Mailed: 7/29/2013

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.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing 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:

