

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

IN THE MATTER OF:

██████████
████████████████████
██████████

Reg. No.: 2013-48119
Issue No.: 2026
Case No.: ██████████
Hearing Date: August 1, 2013
County: Wayne (31)

ADMINISTRATIVE LAW JUDGE: Susan C. Burke

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Claimant's request for a hearing. After due notice, a telephone hearing was held on August 1, 2013. Claimant appeared and testified. ██████████ ██████████ ES, appeared on behalf of the Department of Human Services (Department or DHS).

ISSUE

Was the Department correct in imposing a deductible of \$480.00 for Claimant's Medicaid (MA) program?

FINDINGS OF FACT

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

1. Claimant was an ongoing recipient of MA in a household of one.
2. Claimant received \$980.00 per month in Retirement, Survivors, Disability Insurance (RSDI).
3. Claimant incurred \$104.90 in medical insurance premiums per month.
4. The Department determined that Claimant was subject to a deductible in the amount of \$480.00 in his MA case.
5. On May 20, 2013, Claimant requested a hearing, objecting to the amount of the deductible.

CONCLUSIONS OF LAW

Department 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. Medicaid is also known as Medical Assistance (MA). BEM105

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- There is no excess income, **or**
- Allowable medical expenses equal or exceed the excess income (under the deductible guidelines.) BEM 545

Net income (countable income minus allowable income deductions) must be at, or below a certain income limit for eligibility to exist. BEM 105 Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. BEM 166 The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. BEM 544 An eligible Medical Assistance group (Group II MA) has income the same as or less than the “protected income level” as set forth in the policy contained in the program reference table.

An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However, an 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. Each calendar month is a separate deductible period. The fiscal group’s monthly excess income is called the deductible amount. 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; 42 CFR 435.831

The monthly protected income level for an MA group of one living in Wayne County is \$375.00 per month. RFT 200, 240 In determining net income, a standard deduction of \$20.00 is deducted for SSI-related Medical Assistance recipients (disabled). 42 GFR 435.811

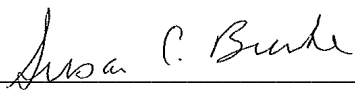
In the present case, Claimant's net income (\$960.00) exceeds the monthly protected income level (\$375.00) together with Claimant's medical insurance premiums (\$104.90) by \$480.00 per month. Claimant is consequently ineligible to receive medical assistance. However under the deductible program, if Claimant incurs medical expenses in excess of \$480.00 during the month, he may then be eligible for MA. Claimant argues that he is unable to pay the deductible per month for his medical expenses because of limited means. This Administrative Law Judge does sympathize with Claimant in this instance, but does not have the prerequisite jurisdiction to change or alter Department policy and State law at the present time. This ALJ finds that the Department has acted in accordance with Department policy and law imposing the stated deductible.

Based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, the Administrative Law Judge concludes that the Department properly calculated Claimant's MA deductible.

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 act properly.

Accordingly, the Department's MA decision is AFFIRMED for the reasons stated within the record.



Susan C. Burke
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: August 29, 2013

Date Mailed: August 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

2013-48119/SCB

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 mailing 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

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cc: [REDACTED]
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[REDACTED]
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