

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2013-48300
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: August 1, 2013
County: Wayne (82-41)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 August 1, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

ISSUE

Did the Department properly provide Claimant with Medical Assistance (MA) coverage subject to a monthly \$914 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 was an ongoing recipient of MA benefits.
2. Although Claimant had begun receiving Retirement, Survivors and Disability Income (RSDI) in December 2011, the Department had failed to figure this income into his MA budget.
3. After the income was budgeted, the Department sent Claimant a May 15, 2013, Notice of Case action notifying him that his MA case was subject to a \$914 deductible beginning May 1, 2013.

4. On May 20, 2013, Claimant filed a hearing request disputing the Department's calculation of his MA benefits.

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.

The Department testified that, after updating Claimant's income to reflect his monthly \$1,309 in RSDI benefits, it determined that Claimant was eligible for MA coverage subject to a monthly \$914 deductible. Clients are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed applicable Group 2 MA protected income levels (PIL) 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 fiscal group for an adult receiving SSI-related MA (which is MA received because of a disability) is composed of the adult and his spouse. BEM 211 (November 2012), pp. 5-6. In this case, Claimant testified that he was separated but he and his spouse continued to be married. Therefore, Claimant's MA fiscal group had two members. The monthly PIL for an MA fiscal group size of two living in Wayne County is \$500. RFT 200 (July 1, 2007), p. 1; RFT 240, p. 1. Thus, if Claimant's MA group's net income is in excess of \$500, he may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that the group's monthly income exceeds \$500. 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. The budget shows that, in determining Claimant's deductible, the Department applied a PIL of \$375, which is the PIL for an MA fiscal group size of one, rather than a PIL of \$500, which is the PIL applicable for Claimant's fiscal group size of two. As a result, the Department did not act in accordance with Department policy in calculating the amount of the 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 not act in accordance with Department policy when it calculated Claimant's MA deductible.

Accordingly, for the reasons stated on the record and above, the Department's 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. Begin recalculating Claimant's MA deductible for May 1, 2013, ongoing, in accordance with Department policy and consistent with this Hearing Decision;
2. Provide Claimant with MA coverage he is eligible to receive from May 1, 2013, ongoing; and
3. Notify Claimant in writing of its decision in accordance with Department policy.



Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: August 6, 2013

Date Mailed: August 7, 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.

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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

ACE/pf

cc:

