

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

IN THE MATTER OF:

██████████
██
██████████

Reg. No.: 2013-64774
Issue No.: 2026
Case No.: ██████████
Hearing Date: October 14, 2013
County: Oakland (02)

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, a telephone hearing was held on October 14, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ES.

ISSUE

Did the Department properly impose (MA) coverage under the Group 2 S Disabled program and provide Claimant with MA coverage subject to a monthly \$168 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. The Department recalculated Claimant's MA eligibility. The Claimant was receiving at the time RSDI in the amount of \$1211. Exhibit 1.
2. On August 15, 2013 the Department issued a Notice of Case Action, notifying Claimant that, effective June 1, 2013 the Claimant's Medical Assistance (MA) would receive MA coverage subject to a \$168 monthly deductible. Exhibit 2
3. The Claimant's spend down budget was reviewed and no Medicaid Part B premium was included, and the ongoing medical expenses of \$615 was incorrect, as no current ongoing medical expenses have been submitted by Claimant

4. On August 15, 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.

The issue in this case is whether the Department correctly determined that the Claimant was subject to a \$168 deductible and whether the Department correctly calculated the deductible. The Deductible as explained below is based upon the total household income.

MA Deductible

In this case, Claimant verified her gross monthly RSDI income of \$1211. The Department testified that, although Claimant was not eligible for full-coverage MA, she was eligible for MA with a monthly \$168 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 an SSI-Related MA budget showing how the deductible in Claimant's case was calculated. As discussed above, Claimant's net unearned income totaled \$1211. After deducting a \$20 general exclusion the Net unearned income was \$1191. 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 at any recent time and the Department indicated there was no basis for the ongoing medical expenses of \$615. The Claimant also advised that she did not submit ongoing medical expenses she incurred prior to the hearing date. See BEM 541; BEM 544. Also the Claimant currently pays a Medicaid Part B premium of \$104.90 which was not deducted as an insurance premium expense. Exhibit 1 and 2.

Based upon the review at the hearing, the budget as submitted is incorrect and must be recalculated to determine ongoing medical expenses, if any, and account for the Medicaid part B insurance premium expense.

Because of the conceded errors in calculation of the MA budget, it is determined that the Department improperly calculated Claimant's monthly MA deductible and must recalculate the deductible in accordance with Department policy.

As stated at the hearing, if the Claimant has ongoing medical expenses she should submit them on a monthly basis so that they may be accounted for and applied toward the deductible.

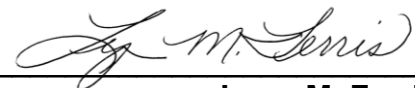
DECISION AND ORDER

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 that the Claimant was subject to a monthly \$168 deductible.

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

Accordingly it is ORDERED:

1. The Department shall initiate recalculation the Claimant's medical deductible in accordance with this Decision and shall include the Medicaid Part B premium expense and any ongoing medical expenses which are provided by the Claimant.
2. The Department shall provide the Claimant with notice of its determination of the recalculated deductible amount.



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

Date Signed: October 28, 2013

Date Mailed: October 28, 2013

NOTICE OF APPEAL: 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.

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).

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]