

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013 69395  
Issue No.: [REDACTED]  
Case No.: [REDACTED]  
Hearing Date: December 9, 2013  
County: Wayne County DHS 17

**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 December 9, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, [REDACTED], of Disability Network, the Claimant's Authorized Hearing Representative appeared on behalf of the Claimant. Participants on behalf of Department of Human Services (Department) included [REDACTED], ES and [REDACTED].

**ISSUE**

Did the Department properly provide Medical Assistance (MA) coverage for Claimant's child and spouse subject to a deductible?

Did the Department properly close the Claimant's SSI related Medical Assistance and her QMB coverage for Medicaid part B premium.

**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 SSI related Medicaid with no deductible and QMB which paid her part B premium. As a result of a redetermination the Department recalculated the Claimant's MA benefits and imposed a deductible of [REDACTED] per month on Claimant's spouse and a separate deductible of [REDACTED] on Claimant's child. The Department also closed the Claimant's SSI related Medicaid and QMB.

2. The Department issued a Notice of Case Action on August 22, 2013 which closed the Claimant's SSI related Medicaid, and QMB and imposed a deductible of [REDACTED] on Claimant's child and a [REDACTED] deductible on the Claimant's spouse.
3. The Claimant's Spouse and child had been receiving LIF Medical Assistance.
4. The Department acknowledged that at the redetermination it discovered that the Claimant was receiving unemployment benefits of [REDACTED] biweekly and had employment income of [REDACTED]. Both these incomes were not included in the prior budgets prepared by the Department. No income for any of the group members had been included in the prior budgets.
5. The Claimant received unearned income of [REDACTED] in RSDI, and [REDACTED] monthly from unemployment. Both these amounts were confirmed by the Claimant.
6. The Claimant also provided earnings pay stubs for July 2013 which totaled [REDACTED]. The amount of the pay stubs were confirmed as correct by the Claimant.
7. The Claimant's child received RSDI in the amount of [REDACTED] per month.
8. The Claimant's Spouse has no income.
9. On November 12, 2013, Claimant's Authorized Hearing Representative requested a hearing contesting the Department's action.

### **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.

#### MA Coverage

At issue in this case is whether the actions taken with regard to the Claimant's medical assistance, specifically closing the Claimant's QMB and SSI related Medicaid was correct and whether the deductibles determined separately for the Claimant's spouse and child were correct.

The Department presented a budget for SSI related Medicaid which found that the Claimant was no longer eligible for SSI related Medicaid or QMB. Exhibit 2. Although the Department did not properly calculate the amount of the unearned income, the

Income limit of [REDACTED] was exceeded and it is determined that the Department correctly closed the Claimant's medical assistance in those programs.

As regards the calculation of the deductible for the Claimant's spouse and child, Group 2 FIP related Medical Assistance, neither of the budgets presented were correct as the unearned income amounts were wrong and the Department conceded as much. Additionally the Department should have not closed the Claimant's Medical Assistance as she would have been likewise likely eligible for Group 2 Medical Assistance subject to a deductible based upon her earned and unearned income.

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 (July 2013), p. 1; BEM 135 (July 2013), p. 3; BEM 544 (July 2013), p. 1; RFT 240 (July 2007), p. 1. The monthly PIL for an MA fiscal group size of two (Claimant and his wife) living in Wayne County is [REDACTED]. RFT 200 (2007), p. 1; RFT 240, p. 1. Thus, if Claimant's net income is in excess of [REDACTED], she and her spouse may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly income exceeds [REDACTED]. BEM 545 (), p. 2.

The Department presented a G2 FIP-related MA budgets for both the Claimant's Spouse and a separate budget for the Claimant's child and it is determined that both budgets are incorrect. Based upon the earned and unearned income presented by the Department, the income is incorrect. . Exhibit 3 and 4.

It is determined that the Department correctly determined the Claimant's earned income amount of [REDACTED] based upon the pay stubs presented.. It is also could not be determined what amount the Department included for unemployment income but the correct amount should be [REDACTED] ([REDACTED] biweekly) with no multiplier added. see BEM 530 pp. 3 (7/1/13)

Therefore based upon the evidence presented the imposition of the of the deductibles imposed were incorrect.

It is also determined that the Department correctly closed the Claimant's SSI related Medical Assistance and QMB, however the Department should have determined the Claimant's eligiblity for Group 2 FIP related MA and its failure to do so was also incorrect.

### **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 when it closed the Claimant's SSI related MA and QMB due to her income exceeding the [REDACTED].

Accordingly, the Department's decision is:

AFFIRMED

did not act properly when it imposed deductible amounts that were incorrect.

Accordingly, the Department's decision is

REVERSED.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department shall reinstate the Claimant's Medical Assistance and determine the Claimant's eligibility for Group 2 FIP Related Medical Assistance and any deductible amount if the Claimant is deemed eligible.
2. The Department shall recalculate the deductible amount for the Claimant, her spouse and child using the income reported at the redetermination in August and as set forth in this Decision.



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

Date Signed: 01/07/2014

Date Mailed: 01/07/2014

**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:
  - 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

LMF/sw

cc:

