

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

IN THE MATTER OF:

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Reg. No.: 2014-12333
Issue No(s): 2001
Case No.: ██████████
Hearing Date: January 29, 2014
County: Wayne (19)

ADMINISTRATIVE LAW JUDGE: Zainab Baydoun

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on January 29, 2014, from Detroit, Michigan. Claimant was not present. Participants on behalf of Claimant included ██████████, ██████████ ██████████, Case Manager from ██████████ and ██████████ ██████████. Participants on behalf of the Department of Human Services (Department) included ██████████, Assistance Payment Worker.

ISSUE

Did the Department properly process Claimant's Medical Assistance (MA) benefits?

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 under a deductible based program.
2. On an unverified date, Claimant's MA case closed.
3. On November 12, 2013, Claimant submitted 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), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

Additionally, 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 2013), p 10. Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105 (January 2014), p 1; BEM 166 (July 2013), pp 1-2; BEM 544 (July 2013), p 1; RFT 240 (December 2013), p 1. Thus, if Claimant's net monthly income is in excess of the PIL, he may become eligible for assistance under the deductible program, with the deductible being equal to the amount that his monthly income exceeds PIL. BEM 545, p 1.

To meet a deductible, a MA client must report and verify allowable medical expenses that equal or exceed the deductible amount for the calendar month being tested by the last day of the third month following the month in which client wants MA coverage. BEM 545, pp. 8-11.

In this case, the Department testified that Claimant's Group 2 MA case was closed on the basis that he did not meet his deductible. Although the Department testified that Claimant's case closed effective December 1, 2013, there was no supporting documentation in the form of a Notice of Case Action or an Eligibility Summary to confirm the Department's testimony. There was also no supporting evidence presented to verify the Department's testimony with respect to the reason for the case closure and the amount of Claimant's deductible.

At the hearing, Claimant's guardian testified that Claimant is a resident of a residential facility and that his monthly cost of care is ██████████. (Exhibit 1). Claimant's guardian testified that other medical expenses were also submitted to the Department and that they were not properly applied towards his deductible. The Department acknowledged that it received verification of medical expenses and stated that for an unverified period, it had been incorrectly budgeting Claimant's medical expenses. The Department stated that rather than counting Claimant's cost of care as a medical expense, it was budgeting it as rent. Consequently, the Department acknowledged that closure of Claimant's case was improper and that the medical expenses were not properly processed.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it failed to process and apply Claimant's medical expenses his monthly deductible and closed Claimant's MA case.

DECISION AND ORDER

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. Reinstate Claimant's MA case effective the date of closure, ongoing;
1. Process any medical expenses incurred and apply them towards Claimant's deductible for the appropriate months;
2. Issue supplements to Claimant for any MA benefits that he was entitled to receive but did not from the date of closure, ongoing; and
3. Notify Claimant in writing of its decision.



Zainab Baydoun
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: February 19, 2014

Date Mailed: February 20, 2014

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

ZB/tm

cc: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]