

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-21946  
Issue No.: 2001  
Case No.: [REDACTED]  
Hearing Date: February 19, 2014  
County: Calhoun

**ADMINISTRATIVE LAW JUDGE:** Susanne E. Harris

**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 February 19, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of Department of Human Services (Department) included Eligibility Specialist (ES) [REDACTED].

**ISSUE**

Did the Department properly close the Claimant's SSI-Medical Assistance (MA) case and impose a deductible on her ongoing MA?

**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 Claimant was an SSI benefit recipient and was receiving MA as a result of her SSI eligibility.
2. On June 1, 2013, the Claimant was terminated from SSI-MA eligibility because her SSI was cancelled and she began receiving [REDACTED] income of \$ [REDACTED] through the Social Security Administration.
3. The Claimant filed an application for MA Benefits.
4. The MA application was processed and the Department determined that the Claimant was not eligible to receive full MA benefits because of excess income and she was given a deductible in the amount of \$ [REDACTED].
5. On January 8, 2014, the Department sent the Claimant notice that she would be eligible to receive MA benefits with a deductible of \$ [REDACTED] per month.

6. On January 9, 2014, the Claimant filed a request for a hearing to protest the closure of her SSI-MA case and the amount of her MA 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 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 (DHS or Department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

Once her SSI benefits were cancelled, the Claimant was no longer eligible to receive Medical Assistance on a SSI category because Bridges Eligibility Manual (BEM) 150 (2013) p. 1, specifically requires that to be automatically eligible for MA, the Claimant must be an SSI recipient. The Claimant now receives RSDI instead of SSI. Per BEM 105 (2010) p. 1, Michigan provides MA to eligible Claimants under two general classifications: group 1 and group 2 MA. The Claimant qualified under the group 2 MA classification which consists of Claimants whose eligibility results from the state designating certain types of individuals as medically needy. Per BEM 545 (2011), in order to qualify for group 2 MA, a medically needy Claimant must have income as equal to or less than the basic protected monthly income level.

Department policy sets forth a method for determining the basic maintenance level by considering:

1. Protected income level.
2. The amount deferred to dependent.
3. Health insurance premiums
4. Remedial services if determining the eligibility for Claimants in Adult Care Homes.

If the Claimant's income exceeds the protect income level, the excess income must be used to pay medical expenses before group 2 MA coverage can begin. The policy requires the Department to count and budget all income received that is not specifically excluded. There are 3 main types of income: countable earned, countable unearned, and excluded. Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit. Unearned income is any income that is not earned. The amount of income counted maybe more than the amount a person actually receives, because it is the amount before deductions are taken including the deductions for taxes and garnishments. The amount before any deductions are taken is called a gross amount. BEM 500, p. 1.

In the instant case, the Department properly closed the Claimant's SSI-MA case because she was no longer receiving SSI. The Department calculated the Claimant's income based upon her receipt of RSDI income in the amount of \$ [REDACTED] per month beginning June 1, 2013. After giving the Claimant the appropriate unearned income general exclusion of \$ [REDACTED] the Claimant was left with net earned income of \$ [REDACTED]. The evidence does not establish that the Claimant provided the Department with any deductions, yet the Claimant's countable income is only \$ [REDACTED]. The Department's ES was asked by this Administrative Law Judge about the \$ [REDACTED] difference. The Department's ES could not account for the missing \$ [REDACTED]. Though such a figure would not make a huge difference in the Claimant's deductible, the evidence is insufficient to establish that the Department was acting in accordance with its policy when taking action to determine that the Claimant's deductible was \$ [REDACTED].

Therefore, this Administrative Law Judge finds the Department has established by the necessary competent, material and substantial evidence on the record that it acted in compliance with Departmental policy when it determined that the Claimant was no longer eligible for SSI-MA. However, this Administrative Law Judge finds the Department has not established by the necessary competent, material and substantial evidence on the record that it acted in compliance with Departmental policy when it determined the Claimant's deductible.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law finds that the Department  did act properly when closing the SSI-MA case and  did not act properly when determining the Claimant's MA deductible. Accordingly, the Department's  MA decision is

**AFFIRMED** IN PART with respect to the closure of the Claimant's SSI-MA case and **REVERSED** IN PART with respect to the Department's determination of the Claimant's deductible.

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. Re-determine the Claimant's eligibility for MA back to January 1, 2014, and
2. Issue the Claimant any supplement that she may thereafter be due.

*Susanne E. Harris*

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Susanne E. Harris  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 2/21/14  
Date Mailed: 2/24/14

**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

SEH/tb

cc:

