

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201411592
Issue No.: 2007
Case No.: [REDACTED]
Hearing Date: January 30, 2014
County: Macomb (12)

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 30, 2014 from Lansing, Michigan. Claimant personally appeared and provided testimony. Participants on behalf of the Department of Human Services (Department) included [REDACTED] [REDACTED] (Eligibility Specialist) and [REDACTED] (Eligibility Specialist).

ISSUE

Did the Department properly determine Claimant's Medical Assistance (MA) deductible or "spend down" amount?

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 applied for MA on September 24, 2013.
2. Claimant is disabled and receives Retirements Survivors and Disability Insurance (RSDI) in the amount of [REDACTED] per month.
3. Claimant receives a monthly pension in the amount of [REDACTED].
4. On October 31, 2013, the Department mailed Claimant a Notice of Case Action (DHS-1605) which determined that Claimant was eligible for a MA-Group 2 Aged, Blind, Disabled category deductible in the amount of [REDACTED] for the period of September 1, 2013 through October 31, 2013 and a [REDACTED] deductible for November 1, 2013 ongoing.

5. On November 7, 2013, Claimant requested a hearing to dispute the MA deductible amount.

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.

With regard to the MA eligibility, Michigan has set guidelines for income which determine if an MA group meets the financial eligibility requirements. BEM 105 (1-1-2014). In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. BEM 105 p 1 (1-1-2014). For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. BEM 105 p 1 (1-1-2014).

Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. See BEM 166. The protected income limit (PIL) is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA PILs based on shelter area and fiscal group. BEM 544.

However an MA group may become eligible for assistance under the deductible program. A deductible case is an active MA case with no ongoing MA eligibility or coverage. The case meets all other eligibility requirements but income exceeds allowable limits. Periods of coverage are added when the client becomes income eligible by incurring medical expenses. BPG p 16 (1-1-2014).

A deductible amount is the amount of income which must be applied to the cost of medical care before MA can be authorized. Bridges Program Glossary (BPG) p 16 (1-1-2014), BEM 545, p 11 (1-1-2014). For MA deductible clients, the Department must do a future month budget at redetermination and when a change occurs that may affect deductible status. BEM 530 p 1 (1-1-2014).

Here, Claimant did not dispute the Department's calculation of her income, but stated that the deductible is too high. The record shows that Claimant's total monthly net

income at all times was [REDACTED]. Claimant lives in Macomb County, which is Shelter Area VI per RFT 200. Claimant's MA fiscal group size was 1. According to RFT 240, the protected income limit (PIL) for a group size of 1 is [REDACTED]. Per policy, the Department subtracted [REDACTED] from Claimant's unearned income ([REDACTED] - [REDACTED]) which resulted in a net income of [REDACTED]. Claimant's net income minus the PIL determines remaining deductible amount. Thus, [REDACTED] (monthly net income) - [REDACTED] (PIL) = [REDACTED]. See BEM 536. Therefore, the appropriate MA deductible amount is [REDACTED] for the period of September 1, 2013 through October 31, 2013. The Department's calculation of Claimant's [REDACTED] MA deductible amount for the period of November 1, 2013 was also correct based on RFT 240.

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 acted in accordance with Department policy when it determined Claimant's MA deductible amount.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.

IT IS SO ORDERED.



C. Adam Purnell

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

Date Signed: February 3, 2014

Date Mailed: February 4, 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;

201411592/CAP

- 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

CAP/aca

cc:

