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

IN THE MATTER OF:

███████████████

Reg. No.:	2014-21170
Issue No(s).:	2001
Case No.:	████████
Hearing Date:	March 26, 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 March 26, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ████ ████, Eligibility Specialist.

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.

2. Claimant was previously receiving MA benefits under the Ad Care program.

3. In connection with a Mid Certification, Claimant's eligibility for MA benefits was reviewed. (Exhibit 1)

4. On December 20, 2013, the Department sent Claimant a Notice of Case Action informing her that effective February 1, 2014, her Ad Care MA case would be closed on the basis that her income exceeded the limit for the program and that she was now approved for MA benefits under the Group 2 Aged, Blind, and Disabled (G2S) program with a monthly deductible o ████. (Exhibit 2)

5. On January 2, 2014, Claimant submitted a hearing request disputing the calculation of her MA deductible.

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.

Claimant submitted a hearing request disputing the Department's actions with respect to her MA benefits. At the hearing, the Department testified that Claimant was no longer eligible for MA under the Ad Care program because her income exceeded the limit. Income eligibility for the Ad-Care program exists when net income does not exceed the income limit in RFT 242. BEM 163 (July 2013), p. 2. The Department is to determine countable income according to SSI-related MA policies in BEM 500 and 530 *except* as explained in the countable RSDI section of BEM 163.The Department will also apply the deductions in BEM 540 (for children) or 541 (for adults) to countable income to determine net income. BEM 163, p.2. Effective April 1, 2013, the monthly income limit for a group size of one is $958. RFT 242 (December 2013), p. 1.

The Department testified that prior to the Mid-Certification, Claimant's income from social security in the amount of $███ was not being budgeted for her MA case, thereby making her eligible for Ad Care. Claimant confirmed that she has monthly social security benefits in the amount of ███ and the Department presented an SOLQ in support of its testimony. (Exhibit 4). Therefore, because Claimant's countable monthly income exceeds the ███ net income limit for the Ad Care program, the Department acted in accordance with Department policy when it terminated Claimant's MA benefits under the Ad Care program.

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 (July 2013), p 1; BEM 166 (July 2013), pp 1-2; BEM 544 (July 2013), p 1; RFT 240 (December 2013), p 1.   The monthly PIL for an MA group of one (Claimant) living

in Wayne County is ███ per month. RFT 200 (December 2013), p 1; RFT 240, p 1. Thus, if Claimant's net monthly income is in excess of the $375, she may become eligible for assistance under the deductible program, with the deductible being equal to the amount that his monthly income exceeds ███ BEM 545, p 1.

At the hearing, the Department produced a SSI-Related MA budget showing how the deductible in Claimant's case was calculated. (Exhibit 3). The Department testified that in calculating Claimant's unearned income, it considered monthly Retirement, Survivors, and Disability Insurance (RSDI) benefits in the amount of ███ received by Claimant. Claimant verified the amounts used by the Department. The Department properly subtracted the ██ unearned income general exclusion and determined that Claimant's total net income for MA purposes was $███. BEM 530 (January 2014), p 1; BEM 541 (January 2014), p 3. The Department testified that ███0 was deducted from Claimant's net unearned income as an insurance premium deduction. The Department determined that Claimant had countable income in the amount of $████

Because Claimant's net income of ██████ for MA purposes exceeds the monthly protected income level of ████████, the Department properly calculated Claimant's monthly ███ MA deductible in accordance with Department policy.

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 determined that Claimant had excess income for the Ad Care MA program and determined that she was eligible for MA under the G2S program with a monthly deductible of ████.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

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

Date Signed: <u>March 27, 2014</u>

Date Mailed: <u>March 28, 2014</u>

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: