

**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.: 2014-25641
Issue No(s): 2007
Case No.: ██████████
Hearing Date: April 2, 2014
County: Wayne (82-17)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

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 April 2, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant ██████████ ██████████. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████ ██████████ ██████████ ██████████

ISSUE

Did the Department properly calculate Claimant's Medical Assistance (MA) deductible for November 2013 to January 2014?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On January 6, 2014, Claimant applied for MA benefits. See Exhibit 1.
2. On January 24, 2014, the Department sent Claimant a Notice of Case Action notifying her that her MA deductible is \$677 for November 1, 2013, to November 17, 2013. See Exhibit 1.
3. On January 24, 2014, the Notice of Case Action also notified Claimant that her MA deductible had been met for November 18, 2013, to November 30, 2013. See Exhibit 1.

4. For December 2013, Claimant had a deductible in the amount of \$693. See Exhibit 1.
5. For January 2014, Claimant had a deductible in the amount of \$677. See Exhibit 1.
6. On an unspecified date, Claimant submitted medical expenses in which her deductible had been met for November 2013, December 2013, and January 2014. See Hearing Summary, Exhibit 1.
7. On February 3, 2014, Claimant filed a hearing request, protesting her MA deductible amount. See Exhibit 1.

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.

Preliminary Matter

As a preliminary matter, Claimant was disputing her MA deductible amount from November 2013 to April 2014. Claimant's request for hearing references a Notice of Case Action (dated January 24, 2014), which only addressed her deductible for November 2013. See Exhibit 1. There was no notice of case action presented at the hearing which addressed her deductible for the subsequent months. Nevertheless, this hearing will only address Claimant's MA deductible for the months of November 2013 to January 2014. This time period is based on the benefit period addressed in the Notice of Case Action (November 2013) to the month the Notice of Case Action was sent (January 2014). See BAM 600 (March 2014), pp. 4-6. Claimant can request another hearing to dispute her MA deductible from February 2014, ongoing. See BAM 600, pp. 4-6.

MA Deductible for November 2013

On January 6, 2014, Claimant applied for MA benefits. See Exhibit 1. On January 24, 2014, the Department sent Claimant a Notice of Case Action notifying her that her MA deductible is \$677 for November 1, 2013, to November 17, 2013. See Exhibit 1. On January 24, 2014, the Notice of Case Action also notified Claimant that her MA deductible had been met for November 18, 2013, to November 30, 2013. See Exhibit 1.

It was not disputed that Claimant was disabled and/or an aged individual. As a disabled person, Claimant received Group 2 Spend-Down (G2S) due to Claimant receiving Retirement, Survivors, and Disability Insurance (RSDI) income. G2S is an SSI-related category. BEM 166 (July 2013), p. 1. BEM 166 outlines the proper procedures for determining G2S eligibility. BEM 166, p. 1. 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, p. 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 \$375 per month. RFT 200 (December 2013), pp. 1-2; RFT 240, p. 1. Moreover, an individual whose monthly income is in excess of \$375 may become eligible for assistance under the deductible program, with the deductible being equal to the amount that the group's monthly income exceeds the PIL. BEM 545 (July 2013), p. 1.

In this case, the Department presented a November 2013 MA deductible budget. See Exhibit 1. First, the budget indicated that Claimant's gross unearned income is \$1,072, which Claimant did not dispute. See Exhibit 1. The Department counts the gross benefit amount of RSDI as unearned income. BEM 503 (January 2014), p. 28. It was not disputed that Claimant's gross RSDI unearned income for November 2013 was \$1,072 per month. See SOLQ, Exhibit 1. The Department then properly subtracted the \$20 disregard to establish Claimant's total net unearned income of \$1,052. BEM 541 (January 2014), p. 3.

Finally, Claimant's countable income of \$1,052 for MA purposes exceeds the monthly protected income level of \$375 by \$677. See Exhibit 1. Thus, the Department properly determined that Claimant would receive MA coverage once she incurs medical expenses in excess of \$677 for the month of November 2013. See Exhibit 1.

MA Deductible for December 2013

Effective December 2013, Claimant had a deductible in the amount of \$693 and the Department presented a budget for this month. See Exhibit 1.

In this case, the Department counts the gross benefit amount of RSDI as unearned income. BEM 503, p. 28. First, the budget indicated that Claimant's gross unearned income is \$1,088, which the Claimant did dispute. See Exhibit 1. Claimant testified that this was her RSDI increase and she did not receive this increase until January 2014. The Department, though, presented a SOLQ document, which indicated her gross RSDI amount is \$1,088 for December 2013. See Exhibit 1. This presented contradictory information as to when Claimant received the increase.

Based on the foregoing information and evidence, the Department properly calculated Claimant's unearned income to be \$1,088 for December 2013. Even though Claimant testified this increase did not occur until January 2014, the Department based her unearned income calculation on the SOLQ document. See Exhibit 1. As such, the

Department properly calculated this amount based on the submitted documentation. See SOLQ, Exhibit 1. It should be noted that, even if Claimant received the increase starting in January 2014, this was harmless error by the Department calculating the higher amount because the SOLQ indicated such a payment for December 2013. See SOLQ, Exhibit 1.

Furthermore, the Department properly subtracted the \$20 disregard to establish Claimant's total net unearned income for MA purposes at \$1,068. BEM 541, p. 3.

Finally, Claimant's countable income of \$1,068 for MA purposes exceeds the monthly protected income level of \$375 by \$693. See Exhibit 1. Thus, the Department properly determined that Claimant would receive MA coverage once she incurs medical expenses in excess of \$693 for the month of December 2013. See Exhibit 1.

MA Deductible for January 2014

Effective January 2014, Claimant had a deductible in the amount of \$677 and the Department presented a budget for this month. See Exhibit 1.

In this case, the Department counts the gross benefit amount of RSDI as unearned income. BEM 503, p. 28. First, the budget indicated that Claimant's gross unearned income is \$1,088, which Claimant did not dispute for January 2014. See Exhibit 1. Furthermore, the Department properly subtracted the \$20 disregard to establish Claimant's total net unearned income for MA purposes at \$1,068. BEM 541, p. 3.

However, the budget indicated that Claimant's countable income is \$1,052 rather than \$1,068, which is a \$16 decrease. See Exhibit 1. Countable RSDI for fiscal group members is the gross amount for the previous December when the month being tested is January, February, or March. BEM 503, p. 29. Federal law requires the cost-of-living (COLA) increase received in January be disregarded for these three months. BEM 503, p. 29. For all other months, countable RSDI is the gross amount for the month being tested. BEM 503, p. 29.

A review of Claimant's SOLQ document indicated her RSDI increase went from \$1,072 to \$1,088, which is a COLA increase of \$16. See Exhibit 1. As such, this is the \$16 difference the Department excluded from her January 2014 budget (the month being tested) in accordance with Department policy. See BEM 503, p. 29.

Finally, Claimant's countable income of \$1,052 for MA purposes exceeds the monthly protected income level of \$375 by \$677. See Exhibit 1. Thus, the Department properly determined that Claimant would receive MA coverage once she incurs medical expenses in excess of \$677 for the month of January 2014. See Exhibit 1.

DECISION AND ORDER

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 properly calculated Claimant's G2S – MA deductible for November 2013 to January 2014.

Accordingly, the Department's MA decision is AFFIRMED.



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

Date Signed: April 10, 2014

Date Mailed: April 14, 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

EJF/pf

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