

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2014-17415 &
2014-30232
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: April 10, 2014
County: Macomb #20

ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie

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, telephone hearing was held on Thursday, April 10, 2014, from Lansing, Michigan. Participants on behalf of Claimant included the Claimant and his [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED], H F.

ISSUE

Due to excess income, did the Department properly reduce Claimant's benefits for Medical Assistance (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. Claimant received MA benefits.
2. On December 6, 2013, the Department reduced Claimant's benefits due to excess income.
3. On December 6, 2013, the Department sent Claimant its decision.
4. On December 13, 2013, Claimant filed a hearing request, protesting 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), and Department of Human Services Reference Tables Manual (RFT).

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.

In this case, the Claimant requested to separate hearings to protest the amount of his deductible. Therefore, this Administrative Law Judge combines the two files ([REDACTED] [REDACTED]) into one hearing as it is essentially one issue.

Additionally, the Claimant was a recipient of group 2 caretaker relative MA with a semiannual contact due. The Department Caseworker received two check stubs dated January 6, 2013 for \$ [REDACTED] and January 20, 2014 for \$ [REDACTED] which showed a gross income for the Claimant and his wife of \$ [REDACTED] per month of earned income. Department Exhibit 3-4 and 8-9.

Based on the Claimant's excess income for MA-AD-Care, the Claimant was determined eligible for a MA Spenddown/Deductible case. BEM 536.

- * A deduction of \$ [REDACTED] from the countable earnings of \$ [REDACTED] resulted in a standard work expense net income of \$ [REDACTED]
- * The Claimant qualified for an additional \$30 disregard for a net income of \$ [REDACTED]
- * The Claimant qualified for a 1/3 disregard (\$ [REDACTED]) resulted in a adjusted net income of \$ [REDACTED] which is the amount this Administrative Law Judge came up with doing a manual calculations based on policy. The Department came up with a net income of \$ [REDACTED] but the Department Caseworker could not explain how that number was produced, but it was just a difference of \$ [REDACTED]

The Claimant has one dependent his wife, resulting in a pro-rate divisor of 3.9 divided into the net income of \$ [REDACTED] for the amount diverted to dependent of \$ [REDACTED] which is the Adult's prorated income, where the Department got \$ [REDACTED] with a difference of \$ [REDACTED]

The pro-rate divisor is 2.9 as set by the federal needs allowance. The Claimant's Adult's prorated income of \$ [REDACTED] (\$ [REDACTED] is multiplied by 2.9, which is Adult's share of the adult's own income of \$527 (\$ [REDACTED]

The Claimant had a net income of \$ [REDACTED] (\$ [REDACTED] from the Adult's share of adult's own income of \$ [REDACTED] (\$ [REDACTED] and the couple's share of each other's income of \$182 (\$185)

The Claimant's protected income level was \$ [REDACTED] for a group size of two for his shelter area. Therefore, the Claimant had an excess income or a spenddown/deductible in the amount of \$ [REDACTED] (\$ [REDACTED] resulting from the Claimant's protected income level of \$ [REDACTED] being subtracted from his fiscal net income of \$711(\$ [REDACTED] BEM 105, 135, 530, and 545.

The Department has not met its burden. The Claimant does have excess income for MA-AD-Care, which resulted in the Claimant being eligible for MA with a deductible that they must meet before being eligible for MA. However, this Administrative Law Judge manually computed a deductible that was \$ [REDACTED] less than the Department. In addition, there is a BRIDGES ticket on this case. The Department is ordered to expedite the BRIDGES ticket.

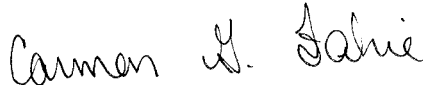
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined the Claimant's spenddown/deductible to be \$ [REDACTED] when the Administrative Law Judge manually computed \$ [REDACTED]

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. Initiate a redetermination of the Claimant's eligibility for MA deductible/spenddown by reviewing the budget to determine the Claimant's spenddown/deductible.
2. The Department is ordered to expedite the BRIDGES ticket associated with this Claimant.
3. Provide the Claimant with written notification of the Department's revised eligibility determination.
4. Issue the Claimant any retroactive benefits he may be eligible to receive, if any.


Carmen G. Fahie
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 9/17/14
Date Mailed: 9/17/14

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 Claimant;
- 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

CGF/tb

cc:

