

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

**IN THE MATTER OF:**

████████████████████  
████████████████████ ██████████  
████████████████████

Reg. No.: 14-007983  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: October 15, 2014  
County: WAYNE-DISTRICT 35  
(REDFORD)

**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 three-way telephone hearing was held on October 15, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, ██████████. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████, Hearings Facilitator.

**ISSUE**

Did the Department properly calculate Claimant's Medical Assistance (MA) deductible in the amount of \$775 effective June 1, 2014, ongoing?

**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 is an ongoing recipient of MA benefits.
2. On an unspecified date, Claimant submitted her redetermination for the month of April 2014 and the Department determined no changes in Claimant's income. See Exhibit 1, p. 1.
3. Claimant receives \$1,170 in monthly Retirement, Survivors, and Disability Insurance (RSDI) income. See Exhibit 1, pp. 8-9.

4. On June 10, 2014, the Department sent Claimant a Health Care Coverage Determination Notice notifying Claimant that she was approved for MA benefits with a monthly deductible of \$775 effective June 1, 2014, ongoing.
5. On July 15, 2014, Claimant filed a hearing request, protesting her MA deductible. See Exhibit 1, p. 3.
6. On October 15, 2014, Claimant requested a telephone hearing, which was granted that same day.

### **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 Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In this case, Claimant is an ongoing recipient of MA benefits. On an unspecified date, Claimant submitted her redetermination for the month of April 2014 and the Department determined no changes in Claimant's income. See Exhibit 1, p. 1. Claimant receives \$1,170 in monthly RSDI income. See Exhibit 1, pp. 8-9. On June 10, 2014, the Department sent Claimant a Health Care Coverage Determination Notice notifying Claimant that she was approved for MA benefits with a monthly deductible of \$775 effective June 1, 2014, ongoing. On July 15, 2014, Claimant filed a hearing request, protesting her MA deductible. See Exhibit 1, p. 3.

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 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; and 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 and 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 Claimant's MA deductible budget for the benefit period of August 2014. See Exhibit 1, p. 10. However, the evidence indicated that Claimant received the same deductible amount for June 1, 2014, ongoing. As such, the MA deductible budget was reviewed to determine if the Department properly calculated Claimant's deductible effective June 1, 2014, ongoing.

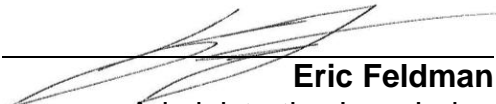
The Department counts the gross benefit amount of RSDI as unearned income. BEM 503 (January 2014), p. 28. It was not disputed that Claimant's gross RSDI unearned income was \$1,170 per month. The Department then properly subtracted the \$20 disregard to establish Claimant's total net unearned income of \$1,150. BEM 541 (January 2014), p. 3 and see Exhibit 1, p. 10. Moreover, the evidence properly indicated no applicable deductions (i.e., insurance premiums or ongoing medical expenses). See Exhibit 1, p. 10 and see BEM 541, pp. 1-7; BEM 544, pp. 1-4.

Finally, Claimant's countable income of \$1,150 for MA purposes exceeds the monthly protected income level of \$375 by \$775. See Exhibit 1, p. 10. Thus, the Department properly determined that Claimant would receive MA coverage once she incurs medical expenses in excess of \$775 effective June 1, 2014, ongoing. See Exhibit 1, p. 10.

### **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 in the amount of \$775 effective June 1, 2014, ongoing.

Accordingly, the Department's MA decision is AFFIRMED.

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

Date Signed: **10/20/2014**

Date Mailed: **10/20/2014**

EJF / cl

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

CC:

[REDACTED]