

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-018868  
Issue No.: 2001  
Case No.: [REDACTED]  
Hearing Date: February 19, 2015  
County: Kent-District 1 (Franklin)

**ADMINISTRATIVE LAW JUDGE:** Darryl Johnson

**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 February 19, 2015, from Lansing, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] (Assistance Payments Manager) and [REDACTED] (Eligibility Specialist). [REDACTED] from Linquistica provided interpretation services between English and Spanish.

**ISSUE**

Did the Department properly determine Claimant's deductible in the Medical Assistance (MA) program?

**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 October 10, 2014.
2. On November 18, 2014, the Department approved Claimant for MA with a monthly deductible of \$ [REDACTED] for the month of October 2014, a deductible of \$ [REDACTED] for November 2014, and an on-going deductible of \$ [REDACTED] beginning December 2014. (Exhibit A Page 12.) It also provided Claimant's spouse with MA for emergency services coverage for the month of September 2014.
3. On December 18, 2014, the Department received Claimant's hearing request.
4. On December 29, 2014, the Department reviewed Claimant's group's income and reduced the deductible to \$ [REDACTED] per month.

### 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.

Per BEM 505, "A standard monthly amount must be determined for each income source used in the budget." "Convert stable and fluctuating income that is received more often than monthly to a standard monthly amount. Use one of the following methods:

"Multiply weekly income by 4.3.

"Multiply amounts received every two weeks by 2.15.

"Add amounts received twice a month."

Claimant and his wife are both employed. They provided copies of check stubs as evidence of their income. For the checks dated [REDACTED] the Claimant's wife earned a total of \$ [REDACTED] which averages out to \$ [REDACTED]. On a monthly basis, that converts to \$ [REDACTED]. Claimant had income for the weeks of [REDACTED]; totaling \$ [REDACTED] which averages out to \$ [REDACTED] per work. On a monthly basis, that converts to \$ [REDACTED]. It is worth noting that Claimant did not submit all of the check stubs for the period. When calculations take into account his and her year-to-date earnings, she actually earned an average of \$ [REDACTED] per week (\$ [REDACTED] per month), and he earned an average of \$ [REDACTED] per week (\$ [REDACTED] per month) during the four weeks provided. Perhaps it is a coincidence that the missing check stubs seem to be much higher than the average of the stubs they provided.

They also provided copies of check stubs after they requested a hearing. In five check stubs from the dates of [REDACTED], Claimant's wife earned a total of \$ [REDACTED] which is \$ [REDACTED] per week and \$ [REDACTED] per month. Claimant submitted six check stubs during that period totaling \$ [REDACTED] which is \$ [REDACTED] per week and \$ [REDACTED] per month. As with the stubs submitted for September and October, the stubs for November and December don't seem to reflect the true facts. When the year-to-date earnings are considered, she actually earned a total of \$ [REDACTED] in a seven-week period (\$ [REDACTED] per week, \$ [REDACTED] per month) and he earned a total of \$ [REDACTED] in the same period (\$ [REDACTED] per week, \$ [REDACTED] per month.)

The Department provided budgets. His original budget is at Exhibit A Pages 10-10A, and in that budget the Department based the FAP award on its calculation that he had

earned income of \$ [REDACTED] per month. Her original budget is at Exhibit A Pages 11-11A. In that budget, the Department concluded she had earned income of \$ [REDACTED]. As explained above, the stubs that were provided indicate he had earned income of \$ [REDACTED] per month, and she had earned income of \$ [REDACTED] per month. While the difference is not substantial, there is a difference. The Department erred when it calculated the deductibles stated in the November 18, 2014, Health Care Coverage Determination Notice.

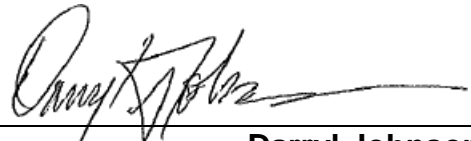
While evidence was presented regarding changes made by the Department after the hearing request was submitted, those changes are not properly the subject matter of this hearing. No decision is made as to whether the remedial action taken by the Department is correct.

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 did not act in accordance with Department policy when it determined Claimant's MA deductible.

### **DECISION AND ORDER**

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

1. The Department shall initiate a redetermination as to whether Claimant is entitled to MA benefits as provided by applicable policies, effective October 1, 2014.



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**Darryl Johnson**  
Administrative Law Judge  
for Nick Lyon, Interim Director  
Department of Human Services

Date Signed: **2/23/2015**

Date Mailed: **2/23/2015**

DJ/jaf

**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 48909-8139

cc:

