

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-019234  
Issue No.: 2001  
Case No.: [REDACTED]  
Hearing Date: February 19, 2015  
County: Gratiot

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**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 February 19, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] as the Claimant's authorized hearing representative. Participants on behalf of the Department included [REDACTED] as hearing facilitator.

**ISSUE**

Did the Department properly determine the patient pay amount for his 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. The Claimant is an ongoing Medical Assistance (MA) recipient.
2. The Claimant receives monthly income in the gross monthly amount of \$ [REDACTED]
3. On December 9, 2014, the Department notified the Claimant that he was approved for ongoing Medical Assistance (MA) benefits with a \$ [REDACTED] monthly patient pay amount effective January 1, 2015.
4. On December 22, 2014, the Department received the Claimant's request for a hearing protesting the determination of his patient pay amount.

## 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.

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (July 1, 2014).

The patient pay amount is total income minus total need. Total income is the client's countable unearned income plus his remaining earned income. Total need is the sum of the patient allowance, home maintenance disregard, community spouse income allowance, family allowance, children's allowance, health insurance premiums, and guardianship/conservator expenses. Department of Human Services Bridges Eligibility Manual (BEM) 546 (January 1, 2015), p 1.

The Claimant is an ongoing Medical Assistance (MA) recipient. On December 2, 2014, the Department initiated a routine review of the Claimant's eligibility for continuing benefits based on the information he reported to the Department. The Claimant received monthly income in the gross monthly amount of \$[REDACTED]. The Department determined the Claimant's \$[REDACTED] patient pay amount by reducing his gross monthly income by the \$[REDACTED] Medicare premiums he is responsible for, and the standard \$[REDACTED] patient allowance.

The Claimant's representative argued that the Department failed to consider deductions from his income. The Claimant's representative testified that the Claimant's income is reduced by court ordered spousal support.


Department policy requires that eligibility for benefits be determined from gross income unless there are exemptions or deductions specifically allowed by policy. In this case, the Department established that it applied a deduction for the Claimant's Medicare premiums and the Claimant's \$[REDACTED] patient allowance. The representative failed to

identify any deductions allowable by policy that were not being applied. Policy does not create an exemption from income for court ordered spousal support and the Department was acting in accordance with policy when it failed to reduce the Claimant's gross monthly income by any expenses not addressed by 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 it determined the Claimant's patient pay amount.

### **DECISION AND ORDER**

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

  
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Kevin Scully  
Administrative Law Judge  
for Nick Lyon, Acting DHS Director  
Department of Human Services

Date Signed: **3/5/2015**

Date Mailed: **3/5/2015**

KS/las

**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:

