

**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.: 014-10321
Issue No(s): 2001
Case No.: ██████████
Hearing Date: January 21, 2014
County: Wayne Pathway to Potential

ADMINISTRATIVE LAW JUDGE: Zainab Baydoun

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 January 21, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████, Pathway to Potential Case Worker and ██████████, Interpreter.

ISSUE

Did the Department properly calculate the amount of Claimant's Medical Assistance (MA) deductible?

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 was an ongoing recipient of MA benefits.
2. Effective November 1, 2013, Claimant and her husband were approved for MA under the Group 2 Caretaker Relative program with a monthly deductible of \$307. (Exhibit 1)
3. On October 29, 2013, Claimant requested a hearing disputing the Department's calculation of her deductible.

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.

Additionally, 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 135 (July 2013), p 1; BEM 544 (July 2013), p 1; BEM 545(July 2013); RFT 200 (July 2007);RFT 240 (July 2007), p 1. A fiscal group is established for each person requesting MA and budgetable income is determined for each fiscal group member. BEM 211 (July 2013); BEM 536 (July 2013). A multi-step process is utilized when determining a fiscal group member's income. BEM 536, pp. 1-5. The monthly PIL for a MA group of two (Claimant and her husband) living in Wayne County is \$500.00 per month. BEM 211, pp.5-6;RFT 200, p 1; RFT 240, p 1. Thus, if Claimant's net monthly income is in excess of the \$500.00, she may become eligible for assistance under the deductible program, with the deductible being equal to the amount that her monthly income exceeds \$500.00. BEM 545, p 1.

At the hearing, the Department produced a MA budget showing how the deductible in Claimant's case was calculated. (Exhibit 2). The Department testified that in calculating Claimant's deductible, it determined that Claimant's husband had countable earned income of [REDACTED]. The Department stated that it considered: (i) \$ [REDACTED] [REDACTED] [REDACTED] (ii) \$ [REDACTED] [REDACTED]; (iii) \$ [REDACTED] paid on [REDACTED] and (iv) \$ [REDACTED]. Claimant confirmed that the pay amounts relied on by the Department were correct. The Department is to deduct [REDACTED] from the countable earned income as a standard work expense. BEM 536, p. 1.

Following the steps contained in BEM 536, the number of dependents (under the age of 18) living with the fiscal group member is also determined. This number is added to 2.9 to determine the prorate divisor. BEM 536, pp.1-5. In this case, because Claimant and her husband live together and have two children under age 18 living in the home, the prorate divisor is 5.9. BEM 536, pp. 3-5.

After further review of the MA budget and based on the foregoing information however, the Department did not properly calculate Claimant's total net income and therefore, did not properly calculate the amount of Claimant's deductible.

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 that Claimant and her husband had a MA deductible of \$307.

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. Recalculate Claimant and her husband's MA deductible for November 1, 2013, ongoing; and
2. Issue supplements to Claimant and her husband for any MA benefits that they were entitled to receive but did not from November 1, 2013, ongoing.



Zainab Baydoun
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: February 11, 2014

Date Mailed: February 11, 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

ZB/tm

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