


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


**IN THE MATTER OF:**



Reg. No.: 2014-13301  
Issue No.: 2001  
Case No.:   
Hearing Date: January 30, 2014  
County: Pathway to Potential

**ADMINISTRATIVE LAW JUDGE:** Alice C. Elkin

**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 telephone hearing was held on January 30, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included , Success Coach.

**ISSUE**

Did the Department properly provide Claimant with Medical Assistance (MA) coverage subject to an \$861 monthly 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 under the Transitional Medicaid (TMA) program.
2. In connection with a November redetermination, the Department concluded that Claimant was no longer eligible for TMA coverage because he was no longer the caretaker of a minor child in the home.
3. On November 1, 2013, the Department sent Claimant a Notice of Case Action notifying him that, effective December 1, 2013, he was eligible for MA coverage under the Group 2 Aged, Blind, Disabled (G2S) program subject to an \$861 monthly deductible.

4. On November 12, 2013, Claimant filed a request for hearing disputing his MA coverage.

### **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, the Department testified that Claimant was no longer eligible for full-coverage MA under the TMA program but was eligible for MA under the G2S program subject to a monthly \$861 deductible.

Department policy provides that families may receive TMA for up to 12 months, and TMA eligibility continues until the end of the 12-month TMA period unless one of the described conditions in policy requires that the TMA coverage end prior to the 12-month period. BEM 111 (July 2013), pp. 1-2. None of the conditions described in policy requiring early termination of TMA coverage applies in this case. Although the Department testified that the closure of Claimant's case was due to the fact that there were no longer minor children in the household, the fact that Claimant's TMA case closed in connection with a redetermination establishes that the 12 months of TMA eligibility had expired. See BEM 111, p. 3. Therefore, the Department acted in accordance with Department policy when it closed Claimant's TMA case.

Although Claimant was no longer eligible for full-MA coverage under the TMA program, the Department determined that he was eligible for MA coverage under the G2S program subject to a monthly \$861 deductible. Claimant disputed the calculation of his deductible.

Clients are eligible for Group 2 MA coverage when their net income less any allowable needs deductions exceeds the applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (January 2014), p. 1; BEM 166 (July 2013), p. 2; BEM 544 (July 2013), p. 1; RFT 240 (December 2013), p. 1. In such cases, the client is eligible for Group 2 MA coverage under the deductible program with the deductible equal to the amount that the client's monthly income exceeds the PIL. BEM 545 (July 2013), p. 2.

Based on information available to the Department at the time it calculated the deductible, that Claimant lived in Wayne County and was unmarried, Claimant was the

sole member of his fiscal group for MA purposes. BEM 211 (July 2013), pp. 6-7. The monthly PIL for an MA fiscal group size of one living in Wayne County is \$375 per month. RFT 200 (December 2013), p. 1; RFT 240 (December 2013), p. 1. Thus, if Claimant's net monthly income is in excess of \$375, he may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that his net monthly income exceeds \$375.

In this case, the Department produced an SSI-Related MA budget showing how the deductible in Claimant's case was calculated. The budget showed that the Department considered Claimant's unearned income totaling \$1,361, which Claimant confirmed was his monthly Retirement, Survivors and Disability Insurance (RSDI) income. Claimant is eligible of a \$20 unearned income disregard and a needs deduction of \$105 for payment of his Part B Medicare premium. See BEM 530 (January 2014), p. 1; BEM 541 (January 2014), p. 3; BEM 544, pp. 1-2. When Claimant's \$1,361 RSDI income is reduced by the \$20 disregard and the \$105 premium, his net unearned income is \$1,236. Because Claimant's net income of \$1,236 exceeded the applicable \$375 PIL by \$861, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for MA coverage subject to a monthly \$861 deductible.

It is noted that during the hearing Claimant testified that he was married and lived with his wife in Wayne County. Married recipients of SSI-related MA, the category within which the G2S MA coverage Claimant receives falls, have a fiscal group size of two unless one of the parties is a FIP recipient, a SSI recipient, a Title IV-E recipient, a Department ward, or a person about whom information necessary to determine eligibility is refused. BEM 211, p. 3; BEM 105 (July 2013), p. 2; BEM 166 (July 2013), p. 1. Information concerning Claimant's marital status may affect his fiscal group size and future monthly deductible. See BEM 211, p. 4.

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, based on the information the Department had at the time it made its MA eligibility determination, the Department acted in accordance with Department policy when it found Claimant eligible for MA subject to a \$861 monthly deductible.

**DECISION AND ORDER**

Accordingly, the Department's decision is AFFIRMED.



**Alice C. Elkin**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: February 12, 2014

Date Mailed: February 12, 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

ACE/pf

cc:

