

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-24337  
Issue No(s): 2001  
Case No.: [REDACTED]  
Hearing Date: April 10, 2014  
County: Wayne (41)

**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 telephone hearing was held on April 10, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department or DHS) included [REDACTED] Hearings Facilitator.

**ISSUE**

Did the Department properly close Claimant's Medical Assistance (MA) benefits effective February 1, 2014?

**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. (See Exhibit 1).
2. Claimant had MA - Group 2 Spend-Down (G2S) deductible in the amount of \$939 from June 2013 to December 2013 and \$940 for January to February 2014. (See Exhibit 1).
3. Claimant failed to meet her MA – G2S deductible for a three month period.
4. On December 17, 2013, the Department sent Claimant a Notice of Case Action notifying her that her MA benefits were denied effective February 1, 2014, ongoing,

due to her not meeting his deductible in at least one of the last three months. (See Exhibit 1).

5. On January 30, 2014, Claimant filed a hearing request, protesting the MA denial. (See Exhibit 1).

### **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.

G2S is an SSI-related category. BEM 166 (July 2013), p. 1. MA is available to a person who is aged (65 or older), blind or disabled. BEM 166, p. 1. All eligibility factors must be met in the calendar month being tested. BEM 166, p. 1. Income eligibility exists when net income does not exceed the Group 2 needs. BEM 166, p. 2. If the net income exceeds Group 2 needs, MA eligibility is still possible. BEM 166, p. 2.

The Department redetermines eligibility for active deductible cases at least every 12 months unless the group has not met its deductible within the past three months. BEM 545 (July 2013), p. 11.

If a group has not met its deductible in at least one of the three calendar months before that month and none of the members are QMB, SLM or ALM eligible, the Department will automatically notify the group of closure. BEM 545, p. 11.

The Department will close an active deductible case when any of the following occur:

- No one in the group meets all nonfinancial eligibility factors.
- Countable assets exceed the asset limit.
- The group fails to provide needed information or verification.

Exception: Do not close the case just because the group fails to verify sufficient allowable medical expenses to meet its deductible.

- The group does not return the redetermination form.
- You cannot locate any of the group members.

BEM 545, p. 13. The Department uses adequate notice to close the case. BEM 545, p. 13.

In the present case, Claimant was an ongoing recipient of MA benefits. The Department testified that Claimant failed to meet her MA–G2S deductible for a three month period. Thus, on December 17, 2013, the Department sent Claimant a Notice of Case Action notifying her that her MA benefits were denied effective February 1, 2014, ongoing, due to her not meeting his deductible in at least one of the last three months. (See Exhibit 1).

It should be noted that the Eligibility Summary indicated Claimant had MA–G2S coverage with a monthly deducible of \$940 effective February 1, 2014 and this was certified February 12, 2014. (See Eligibility Summary, Exhibit 1). Moreover, the Eligibility Summary showed both MA – G2S coverage closed for March 1, 2014 (certified February 12, 2014) and Medicaid pending for March 1, 2014. (See Eligibility Summary, Exhibit 1). These actions are subsequent to Claimant’s hearing request and will not be addressed in this hearing. [See BAM 600 (March 2014), pp. 4-6]. Claimant can request another hearing to dispute the subsequent actions. BAM 600, pp. 4-6. This hearing will only address Claimant’s Notice of Case Action dated December 17, 2013, which notified her of a MA closure effective February 1, 2014. (See Exhibit 1).

At the hearing, Claimant testified that she has not submitted medical expenses or she could not remember ever submitting medical expenses. Based on her testimony, it is reasonable to conclude that the Claimant has not submitted medical expenses towards her deductible. Claimant appeared to reference prescription medical expenses during the hearing in which she met her deductible. However, it was unclear if this deductible was regarding a different type of insurance policy and Claimant did not present such documentation at the hearing. Moreover, Claimant failed to present any evidence at the hearing of medical expenses she submitted and/or could be applied towards her deductible.

Based on the foregoing information and evidence, the Department properly closed Claimant’s MA benefits effective February 1, 2014, in accordance with Department policy. Claimant testified that she could not remember ever submitting medical expenses. The evidence presented that Claimant failed to meet her deductible for a three-month period. As such, the Department acted in accordance with Department policy when it properly closed Claimant’s MA benefits effective February 1, 2014, due to her not meeting his deductible in at least one of the last three months. BEM 545, pp. 11-13.

### **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 denied Claimant’s MA benefits effective February 1, 2014.

Accordingly, the Department's MA decision is AFFIRMED.



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

Date Signed: 4/18/2014

Date Mailed: 4/18/2014

**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

CG/hw

cc:

