

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-30371  
2014-30373  
Issue No(s): 2001  
Case No.: [REDACTED]  
Hearing Date: April 28, 2014  
County: Wayne (17)

**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 telephone hearing was held on April 28, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, [REDACTED] and [REDACTED], daughter/Authorized Hearing Representative on behalf of [REDACTED] and [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist and [REDACTED], Family Independence Manager.

**ISSUE**

Did the Department properly process Claimants' 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. Claimants are ongoing recipients of MA benefits under a deductible based MA program.
2. Claimants are husband and wife who live together.
3. Claimants each have their own MA case with the Department.

4. On February 25, 2014, Claimants each submitted hearing requests disputing the Department's actions.

### **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.

In this case, Claimants, [REDACTED] are husband and wife who live together. For an unexplained reason, each Claimant had a separate MA case with the Department and was approved for MA under a deductible based MA program, each with a different deductible amount. On February 25, 2014, each Claimant submitted a hearing request disputing the Department's actions with respect to their MA benefits and the calculation of the deductible. The hearing requests were consolidated and one hearing was held.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545 (July 2013), p 10. 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 105 (July 2013), p 1; BEM 166 (July 2013), pp 1-2; BEM 544 (July 2013), p 1; RFT 240 (December 2013), p 1. Thus, if the fiscal group's net monthly income is in excess of the PIL, the group may become eligible for assistance under the deductible program, with the deductible being equal to the amount that his monthly income exceeds \$375. BEM 545, p 1.

For MA purposes, because Claimants are husband and wife, and live together, they are in the same fiscal group and are to share one deductible, rather than each having their own on a separate case. BEM 211 (July 2013).

At the hearing, the Department acknowledged that it acted in error when it processed Claimants' MA benefits and approved them for MA on separate cases with different deductibles. The Department stated that it was already working on resolving the issue and consolidating Claimants' MA cases, so that they only have one case and share a deductible.

Because BEM 105 provides that persons may qualify under more than one MA category and federal law gives persons the right to the most beneficial category which is considered the category that results in eligibility or the least amount of excess income, the Department is to re-determine Claimants' eligibility for MA under the most beneficial category, going back 90 days from the hearing was requested. BEM 105 (July 2013), p.2. Further, because Claimants' AHR testified that she had previously submitted medical expenses that were incurred by Claimants to establish that the deductible had been met for certain months, the Department is to process those expenses and apply them towards Claimants' shared 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 processed Claimants' MA benefits.

### **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. Determine Claimants' MA eligibility under the most beneficial category for November 1, 2013, ongoing;
2. Issue MA coverage to Claimants for any MA benefits that they were entitled to receive but did not from November 1, 2013, ongoing;
3. Process any medical expenses incurred and apply them towards Claimants' MA deductible for the appropriate months; and
4. Notify Claimants in writing of its decision.

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

Date Signed: May 9, 2014

Date Mailed: May 9, 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/tlf

cc:

