

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

**IN THE MATTER OF:**

████████████████████  
████████████████████  
████████████████████

Reg. No.: 2014-33620  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: April 24, 2014  
County: Wayne (31)

**ADMINISTRATIVE LAW JUDGE:** Jacquelyn A. McClinton

**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 24, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████, Medical Contact Worker, and ██████████, Family Independence Manager.

**ISSUE**

Did the Department properly provide Claimant with Medical Assistance (MA) coverage subject to a \$926.00 monthly deductible?

Did the Department properly close Claimant's Medicare Savings Plan, under the Additional Low-Income Medicare Beneficiaries (ALMB) program for excess income?

**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 and ALMB benefits.
2. On December 1, 2013, Claimant's Retirement and Survivors Disability Income (RSDI) income increased from \$1,302.00 to \$1,321.00.
3. On March 12, 2014, the Department sent Claimant a Notice of Case Action notifying her that she was eligible for MA subject to a monthly \$926.00 deductible

and that her ALMB case would close due to excess income, both effective April 1, 2014.

4. On March 19, 2014, Claimant filed a request for hearing 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.

The Department further alleged that based upon Claimant's unearned income, her ALMB case closed effective April 1, 2014 due to excess income. According to Department policy, the only allowable income deduction Claimant was eligible to receive was the general exclusion deduction in the amount of \$20.00 BEM 541. (January 2014), pp. 2-3. Accordingly, after the general exclusion deduction, Claimant's net unearned income was \$1,301.00. Further, as of April 1, 2014, the maximum income that a client could receive was \$1,333.00. RFT 242 (April 2014), p. 2. Prior to April 1, 2014, the maximum income a client could receive was \$1,293.00. *Id.* The Notice of Case Action sent by the Department related to Claimant's ALMB benefits as of April 1, 2014. (Exhibit 1). Therefore, the Department improperly closed Claimant's ALMB as her income did not exceed the allowable amount.

Additionally, 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. 10.

The monthly PIL for an MA fiscal group size of one living in Wayne County is \$375.00 per month. RFT 200 (December 2013), pp. 1-2; RFT 240, (December 2013) p 1. Thus, if Claimant's net income is in excess of \$375.00, she may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly income exceeds \$375.00. There is no dispute that Claimant's monthly

income exceeded \$375.00 and thus she is eligible for Group 2 MA benefits under the deductible program.

In this case, Claimant's RSDI income increased from \$1,302.00 to \$1,321.00. The Department alleged that based upon the increase in her RSDI income, Claimant's deductible amount also increased and would be \$926.00 as of April 1, 2014. When calculating Claimant's deductible amount, the Department is required to count as a need item the cost of any health insurance premiums and Medicare premiums paid by Claimant. (BEM 544 (July 2013), p. 1. Because, as discussed above, Claimant is eligible for ALMB, the Department properly excluded the Medicare premiums for the April 1, 2014 budget to the extent the State pays these benefits. Further, because Claimant's net income of \$1,301.00 exceeds the \$375.00 PIL by \$926.00, the Department acted in accordance with it, concluded Claimant is eligible for MA subject to a \$926.00 deductible.

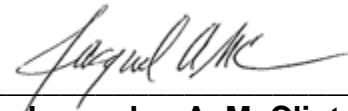
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it when it closed her ALMB case due to excess income.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED in part and REVERSED in part.**

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. Reinstate Claimant's benefits under the Medicaid Cost Sharing (ALMB) program effective April 1, 2014, ongoing.



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**Jacquelyn A. McClinton**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: May 15, 2014

Date Mailed: May 16, 2014

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides or has its principal place of business in the State, 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 48909-07322

JAM/cl

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