

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

**IN THE MATTER OF:**

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

Reg. No.: 2014 3975  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: January 16, 2012  
County: Wayne (18)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on January 16, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant.. Participants on behalf of Department of Human Services (Department) included ██████████, Assistance Payments Worker.

**ISSUE**

Did the Department properly provide Medical Assistance (MA) coverage for Claimant with a \$767 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 applied for Medical assistance for her husband, ██████████, on September 4, 2013.
2. The Claimant had income from two employers in September 2013, ██████████  
████████████████████
3. On September 5, 2013, the Department sent Claimant a Notice of Case Action informing her that her spouse was approved for MA coverage with a \$767 monthly deductible. Exhibit 7
4. On October 4, 2013, Claimant requested a hearing contesting the Department's action.

## CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

### MA Coverage

The November 10, 2011, Notice of Case Action also informed Claimant that her spouse was approved for medical assistance with a deductible of \$767. 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 (based on shelter area and fiscal group size). BEM 105; BEM 166; BEM 544; RFT 240. While individuals eligible for Group 2 MA have income equal to, or less than, the protected income level, an individual whose income is in excess of the monthly protected income level may become eligible for assistance under the deductible program, with the deductible being equal to the amount that the group's monthly income exceeds the protected income levels. BEM 545. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545; 42 CFR 435.831.

In this case, the monthly protected income level for an MA group of one (Claimant) living in Wayne County is \$500 per month. RFT 200, 240. At the hearing, the Department produced a FIP-Related MA budget showing how the deductible in Claimant's case was calculated. The budget indicated that Claimant's total net income for MA purposes was \$1267. A review of the income used to calculate the budget does not produce this net income. The Department produced pay stubs from two employers and advised as to the income it used for [REDACTED] which was a total gross income of \$990 (gross income for pay dates 8/1/13, 8/15/13 and 8/29/13) and for [REDACTED] the income was gross income was \$1618; the total gross income was \$2608. This amount was calculated in accordance with BEM 530 and BEM 541. The formula setform in BEM 530 requires that \$90 be deducted from the gross income which leaves \$2518. This sum is then divided by a pro rate divisor which is the number of dependents plus 2.9 which in this case is 6.9. The number of dependents was determined by the application presented during the hearing which indicates that the Claimant's husband has 4 dependents, his wife, and 3 minor children. When this calculation is done the Adult's pro rated Income was \$364.94 which differs from the \$325 determined by the Department. The basis for this discrepancy based upon the evidence produced at the hearing cannot be further explained and therefore it is determined that the budget used to calculate the deductible is incorrect. Exhibit 6.

At the hearing, Claimant also expressed concerns regarding the fact that her husband no longer worked for [REDACTED] and did not list the employer on the application. This information was confirmed by the Department at the hearing and evidently the Department was also advised by the Claimant's spouse of that fact at the time of application. While the Department properly included [REDACTED] income for September 2013, the processing month budget, the Department is required to determine and prospect for future months if the Department is advised that employment ceased. In that regard the Department should have sought verification from the Claimant as to the ending of the [REDACTED] employment. The Department did not do so and thus must seek verification and correct any future budgets October and ongoing if this employment has ended and recalculate the deductible for those months as required by BEM 530 pp. 2, 3 and 4. (7/1/13)

**DECISION AND ORDER**

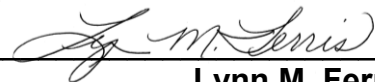
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department did not act properly when it calculated Claimant's deductible amount under Claimant's Group 2 FIP MA program.

Accordingly, the Department's decision is

REVERSED

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department shall recalculate the Claimant's Group 2 FIP related deductible amount for the September 2013 budget.
2. The Department shall determine by verification of ending of employment whether the Claimant continues to be employed by [REDACTED] after September 2013.
3. If the Claimant can verify that the employment has ended, then the Department shall recalculate the Group 2 FIP related deductible for October and December 2013 without including the [REDACTED] income if previously included.



**Lynn M. Ferris**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: February 7, 2014

Date Mailed: February 7, 2014

**NOTICE:** 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)

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 was made, within 30 days of the receipt date of the rehearing decision.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,
  - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
  - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at  
Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

LMF/cl

cc:

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]