

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

**IN THE MATTER OF:**

██████████  
██████████  
██████████

Reg. No.: 14-015685  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: February 11, 2015  
County: Oakland-District 2

**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 February 11, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ██████████ Eligibility Specialist.

**ISSUE**

Did the Department properly determine that Claimant was eligible for Medical Assistance (MA) benefits with a monthly deductible of \$732?

**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.
2. Claimant was previously receiving MA benefits under the Ad-Care MA program.
3. In connection with a redetermination, Claimant's eligibility for MA under the Ad-Care program was reviewed.
4. On October 24, 2014, the Department sent Claimant a Health Care Coverage Determination Notice informing her that effective December 1, 2014, she was now approved for MA with a monthly deductible of \$732. (Exhibit 1, pp.1-2)
5. On November 5, 2014, Claimant requested a 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 Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Claimant submitted a hearing request disputing the Department's calculation of her monthly MA deductible. At the hearing, the Department testified that Claimant's MA eligibility was reviewed and it was discovered that due to a system error, Claimant's monthly RSDI income was previously not being budgeted for her case. The Department stated that after Claimant's RSDI income was included on her case, Claimant was no longer income eligible for the Ad-Care program. The Department testified that it sent Claimant a Health Care Coverage Determination Notice informing her that effective December 1, 2014, she was eligible for MA, but subject to a deductible of \$732 based on her unearned income amount. (Exhibit 1, pp. 2-4).

Additionally, 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 (October 2014), pp. 1-2; BEM 166 (July 2013), pp 1-2; BEM 544 (July 2013), p 1; RFT 240 (December 2013), p 1. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, p. 1. The monthly PIL for an MA group of one (Claimant) living in Oakland County is \$408 per month. RFT 200 (December 2013), p 1; RFT 240, p 1. Thus, if Claimant's net monthly income is in excess of the \$408, she may become eligible for assistance under the deductible program, with the deductible being equal to the amount that her monthly income exceeds \$408. BEM 545, p 1.

At the hearing, the Department produced a SSI-Related MA budget showing how the deductible in Claimant's case was calculated. (Exhibit 1, p.9). The Department testified that in calculating Claimant's unearned income, it considered her monthly RSDI benefits in the amount of \$1160. Claimant verified the amount used by the Department and the Department presented a SOLQ in support of its testimony. (Exhibit 1, pp.4-5). The Department properly subtracted the \$20 unearned income general exclusion and

determined that Claimant's total net income for MA purposes was \$1140, as there was no evidence presented that Claimant was entitled to any other deductions to income. BEM 530 (January 2014), pp 1-4; BEM 541 (January 2014), p 3.

The Department testified that Claimant had submitted medical expenses, however, some were submitted prior to the imposition of the deductible and others submitted the day of the hearing. Claimant was informed that the Department would process the expenses submitted on the day of the hearing and apply them to her deductible for the applicable months.

Because Claimant's net income of \$1140 for MA purposes exceeds the monthly protected income level of \$408 by \$732, the Department properly calculated Claimant's monthly \$732 MA deductible in accordance with Department policy.

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 determined that Claimant was eligible for MA under the G2S program with a monthly deductible of \$732.

#### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.



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**Zainab Baydoun**  
Administrative Law Judge  
for Nick Lyon, Interim Director  
Department of Human Services

Date Signed: **3/5/2015**

Date Mailed: **3/5/2015**

ZB / tlf

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, 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 48909-8139

CC: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
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