

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

**IN THE MATTER OF:**

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

Reg. No.: 15-003802  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: April 30, 2015  
County: Wayne-District 19 (Inkster)

**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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on April 30, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Hearings Facilitator.

**ISSUE**

Did the Department properly determine that Claimant was eligible for Medical Assistance (MA) benefits with a monthly deductible of \$657?

**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 under the G2S program.
2. On February 9, 2015, the Department sent Claimant a Health Care Coverage Determination Notice informing him that effective January 1, 2015, he was approved for MA with a monthly deductible of \$657. (Exhibit A)
3. On March 6, 2015, Claimant requested a hearing disputing the Department's actions.

## **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and 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 Department of Human Services) 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 his monthly MA deductible. The Department testified that it sent Claimant a Health Care Coverage Determination Notice informing him that effective January 1, 2015, he was eligible for MA, but subject to a deductible of \$657 based on his unearned income amount. (Exhibit A).

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 (January 2015), 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 Wayne County is \$375 per month. RFT 200 (December 2013), p 1; RFT 240, p 1. Thus, if Claimant's net monthly income is in excess of the \$375, he 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.

At the hearing, the Department produced a SSI-Related MA budget showing how the deductible in Claimant's case was calculated. (Exhibit B). The Department testified that in calculating Claimant's unearned income, it considered his monthly Retirement, Survivors, and Disability Insurance (RSDI) benefits in the amount of \$1177. Claimant verified the amounts used by the Department; and the Department presented a SOLQ in support of its testimony. (Exhibit C). The Department properly subtracted the \$20 unearned income general exclusion and determined that Claimant's total net income for MA purposes was \$1157. The Department properly deducted \$104.90 for an insurance premium, as Claimant was responsible for his own medicare premium at the time the

budget was completed and the Department applied a \$20 Cola Exclusion to Claimant's net income to determine that Claimant had \$1032.10 in countable income for MA purposes, as there was no evidence presented that Claimant was entitled to any other deductions to income.

Because Claimant's countable income of \$1032.10 for MA purposes exceeds the monthly protected income level of \$375 by \$657, the Department properly calculated Claimant's monthly \$657 MA deductible in accordance with Department policy.

With respect to the medical expenses, Claimant testified that he has active and ongoing medical expenses that he is responsible for monthly and that he has other medical expenses that were incurred during the three months prior to his hearing request. To meet a deductible, a MA client must report and verify allowable medical expenses that equal or exceed the deductible amount for the calendar month being tested by the last day of the third month following the month in which client wants MA coverage. BEM 545, p. 11. The Department is to add periods of MA coverage each time the group meets its deductible. BEM 545, p.11.

Claimant confirmed that he did not submit his medical expenses prior to the hearing, thus, the expenses were properly excluded from the budget and deductible calculation. Claimant was informed that the Department would process the expenses once submitted and apply them to his deductible for the applicable months.

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 with a monthly deductible of \$657.

### **DECISION AND ORDER**

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



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

Date Signed: **5/8/2015**

Date Mailed: **5/8/2015**

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 copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from 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]  
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