

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201038443
Issue No.: 2026; 2017
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: October 11, 2010
Office: Macomb County DHS (20)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on October 11, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUES

1. Whether DHS properly calculated Claimant's eligibility for MA benefits as Medicaid subject to a monthly deductible.
2. Whether DHS properly determined that Claimant had excess-income for the Medicare Savings Program.

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Claimant was an ongoing MA recipient with a benefit period scheduled to end 1/31/10.
2. In 1/2010, DHS redetermined Claimant's eligibility for MA benefits to be effective 2/1/10.
3. At the time of Claimant's redetermination, Claimant was not married.

4. At the time of Claimant's redetermination, Claimant received \$820/month (Exhibit 2) in Retirement, Survivors, Disability Insurance (RSDI) income but only received \$720/month (Exhibit 3) due to a recoupment of her benefits by the Social Security Administration.
5. At the time of Claimant's redetermination, Claimant also received \$446/two weeks in unemployment compensation (UC) income.
6. On an unspecified date, DHS determined that Claimant was not eligible for Medicaid through AD-Care but was eligible for Medicaid subject to a deductible of \$1184/month beginning with benefit month 2/2010. (Exhibit 4).
7. On an unspecified date, DHS determined that Claimant had excess income for the Medicare Savings Premium beginning with benefit month 2/2010.
8. On 2/8/10, Claimant requested a hearing disputing the DHS determination that she is only eligible for Medicaid subject to a monthly deductible; Claimant also disputed the determination that she is not eligible for the Medicare Savings Program.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by 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. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT). Updates to DHS regulations are found in the Bridges Policy Bulletin (BPB).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

A recipient with excess income for ongoing Medicaid may still be eligible for Medicaid under the deductible program. Clients with a Medicaid deductible may receive Medicaid if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. BEM 545 at 9. The client must report medical expenses by the last day of the third month following the month in which the group wants MA coverage. *Id.*

Clients may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. BEM 105 at 2. As an aged or disabled person, Claimant's most beneficial MA program is through Aged-Disabled Care (AD-Care).

For MA redeterminations, DHS has to prospect a client's income using the best available information. Prospecting income means arriving at a best estimate of the person's income. BEM 530 at 3. DHS is to prospect income when estimating income for a future month. *Id.*

Claimant's net income for purposes of AD-Care is calculated by first determining her total monthly income. DHS testified that they counted Claimant's gross monthly income of RSDI, \$820/month. Claimant responded that she only receives \$720/month in RSDI benefits due to \$100/month recoupment by SSA. Per DHS policy, DHS is to count the gross RSDI benefit amount as unearned income. BEM 503 at 20. Gross amount means the amount of RSDI before any deduction such as a Medicare premium. BEM 163 at 2. It is found that DHS properly budgeted Claimant's gross RSDI income.

Claimant also received UC income. If prospecting income based on bi-weekly or twice a month payments, multiply the biweekly amount by two. BEM 530 at 3. Claimant receives \$446/two weeks in UC income; \$50/two weeks (\$25/week) of Claimant's income is from the American Reinvestment and Recovery Act. For all programs, the \$25 federal weekly American Recovery and Reinvestment Act applied to unemployment compensation benefits and trade is excluded as income retroactively to November 1, 2009. BPB 2010-008. Multiplying Claimant's countable biweekly UC income (\$396) by two results in a monthly amount of \$792.

Adding Claimant's UC income (\$792) amount to Claimant's RSDI (\$820) results in a countable monthly amount of \$1612. \$20 is deducted as a disregard from Claimant's total income to determine the net income amount. BEM 541 at 3. Claimant's net income is found to be \$1592/month; the same as calculated by DHS.

Income eligibility for AD-Care exists when net income does not exceed the income limit for the program. BEM 163. The net income limit for AD-Care for a one person MA group is \$903/month. RFT 242. Claimant's net income (\$1592) exceeds the AD-Care income limit. It is found that DHS properly determined Claimant to be ineligible for AD-Care based on excess income.

Claimant may still receive MA benefits subject to a monthly deductible through the Group 2 MA program. The deductible is calculated by subtracting Claimant's Protected Income Level (PIL) from Claimant's MA net income. The protected income level (PIL) is

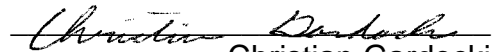
a set allowance for non-medical need items such as shelter, food and incidental expenses. Claimant's PIL is \$408. RFT 240. Claimant's net income (\$1592) minus her PIL (\$408) results in a monthly deductible of \$1184, the same as calculated by DHS. It is found that DHS properly calculated Claimant's eligibility for Medicaid.

Claimant also disputed the DHS denial of Medicare Savings Program (MSP) eligibility. MSP programs offer various degrees of assistance with payment toward a client's Medicare premium and deductibles. Income eligibility exists when net income is within the limits as found in RFT 242. Net income for MSP eligibility is calculated the same way as Medicaid eligibility. Thus, Claimant's net income for MSP eligibility is \$1592. The net income limit for the minimum MSP eligibility is \$1219/month. RFT 242. Claimant's net income exceeds the net income limits for MSP eligibility. It is found that DHS properly determined Claimant to have excess income for MSP eligibility.

DECISION AND ORDER

The actions taken by DHS are AFFIRMED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly determined that Claimant was eligible for Medicaid subject to a \$1184/month deductible and was income-ineligible for the Medicare Savings Program effective 2/1/10

/s/


Christian Gardocki
Administrative Law Judge
For Ismael Ahmed, Director
Department of Human Services

Date Signed: October 22, 2010

Date Mailed: October 22, 2010

NOTICE: Administrative Hearings 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. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 days of the filing of the original request.

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.

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