

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.: 2010-42829
Issue No.: 2026
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: December 2, 2010
Wayne County DHS (76)

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 December 2, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, and [REDACTED], Manager, appeared and testified.

ISSUE

Whether DHS properly reduced Claimant's eligibility for Medical Assistance (MA) benefits as Medicaid subject to a \$604/month deductible.

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.
2. As of 11/2009, Claimant received \$1125/month in Retirement, Survivors, Disability Insurance (RSDI) income on the basis of being a disabled individual.
3. As of 11/2009, Claimant was a married individual whose spouse was a Supplemental Security Income (SSI) recipient.
4. Prior to 11/2009, Claimant received ongoing Medicaid.
5. On an unspecified date, DHS determined that Claimant was eligible for Medicaid subject to a \$604/month deductible effective 11/2009.

6. On 4/8/10, Claimant requested a hearing disputing the reduction in MA benefits from ongoing Medicaid to Medicaid subject to a \$604/month deductible.

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).

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 a disabled person, Claimant may qualify for MA benefits through Aged-Disabled Care (AD-Care) or Group 2 Spend-Down (G2S).

Claimant's net income for purposes of AD-Care is calculated by first determining the MA benefit group's total monthly income. Claimant testified that her RSDI income was \$1125/month. It should be noted that the DHS Hearing Summary indicated that Claimant received \$1124/month in RSDI income. DHS also calculated Claimant's MA benefit eligibility for 11/2009 based on the \$1124/month income. The undersigned is inclined to use the more favorable income figure for Claimant to determine her MA benefit eligibility; thus, \$1124/month will be the income used to determine Claimant's 11/2009 MA benefit eligibility.

For all programs, DHS is to count the gross RSDI benefit amount as unearned income. BEM 503 at 20. \$20 is disregarded from Claimant's total income to determine the net income amount. BEM 541 at 3. For purposes of MA benefit eligibility, Claimant's net income is found to be \$1104/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 (\$1104) 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 G2S 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 \$500. RFT 240 at 1. Subtracting Claimant's PIL (\$500) from Claimant's net income (\$1104) results in a monthly deductible of \$604, the same as calculated by DHS. It is found that DHS properly determined Claimant's eligibility for MA benefits as Medicaid subject to a \$604/month deductible beginning 11/2009.

Claimant contended that her substantial medical expenses should be considered in determining her eligibility for MA benefits. Claimant's MA benefits are not relevant to determining her eligibility for AD-Care. Concerning Claimant's G2S eligibility, Claimant may submit the medical expenses to DHS so that Medicaid can be activated when the total expenses exceed the deductible amount.

It should also be noted that Claimant's spouse and her spouse's income were not factored into Claimant's MA benefit eligibility. As an SSI recipient, Claimant's spouse and his income are excluded from MA benefit calculations. BEM 211 at 4.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly reduced Claimant's MA benefits to Medicaid subject to a \$604/month deductible effective 11/2009. The actions taken by DHS are AFFIRMED.



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

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Date Signed: 12/13/2010

Date Mailed: 12/13/2010

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 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing 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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