

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. 201046525
Issue No. 2026
Case No. [REDACTED]
Load No. [REDACTED]
Hearing Date: October 28, 2010
Wayne County DHS (18)

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 28, 2010. Claimant's authorized hearing representative (AHR), [REDACTED], appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, and [REDACTED] Manager, appeared and testified.

ISSUE

Whether DHS properly calculated Claimant's Medical Assistance (MA) benefit eligibility as Medicaid subject to a \$708/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 applied for MA benefits on 4/29/10.
2. At the time of Claimant's application, Claimant received \$842.40 in gross monthly Retirement, Survivors, Disability Insurance (RSDI) income.
3. At the time of Claimant's application, Claimant received \$179 insurance payments twice per month.
4. On 5/15/10, DHS determined that Claimant was eligible for Medicaid subject to a \$708/month deductible.

5. Claimant's AHR disputes the DHS determination that Claimant is not eligible for ongoing Medicaid.

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 an aged person, Claimant's most beneficial MA program is through Aged-Disabled Care (AD-Care).

Claimant's net income for purposes of AD-Care is calculated by first determining the MA benefit group's total monthly income. It was not disputed that Claimant's gross RSDI income was \$842.40/month (Exhibits 2-4). 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 was also not disputed that Claimant received \$179/month insurance payments (Exhibit 5) twice per month. If prospecting income based on twice a month payments, multiply the income by two. BEM 530 at 3. Multiplying Claimant's bi-monthly income (\$179) by two results in a monthly insurance income of \$358.

Adding Claimant's RSDI (\$842.40) and insurance income (\$358) results in a countable monthly amount of \$1200. \$20 is disregarded from Claimant's total income to determine the net income amount. BEM 541 at 3. For purposes of MA eligibility, Claimant's net income is found to be \$1180/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 (\$1180) 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 \$375. RFT 240. For the deductible calculation, DHS does factor in insurance premiums. DHS credited Claimant with a \$97 (\$96.40 rounded up) deductible for paying Medicare. Claimant's net income (\$1180) minus his Medicare premium (\$97) minus his PIL (\$375) results in a monthly deductible of \$708, the same as calculated by DHS.

Claimant's AHR contends that Claimant's infirmities are such that he is entitled to full Medicaid coverage. Claimant's AHR's argument is not relevant to Claimant's MA income-eligibility. By being disabled, Claimant has met a requirement for MA benefits. Claimant's specific coverage is objectively determined based on income. The undersigned has no doubt that Claimant has substantial medical expenses. Proof of Claimant's medical expenses may be submitted to DHS to meet Claimant's deductible. Once DHS receives verification of the medical expenses, Medicaid can be activated in accordance with DHS policies. Though the undersigned sympathizes with Claimant's circumstances, neither the undersigned nor DHS has the ability to alter the income limits for ongoing Medicaid.

DECISION AND ORDER

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 \$708/month deductible and over-income for ongoing Medicaid. The actions

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taken by DHS are AFFIRMED.



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

Date Signed: November 3, 2010

Date Mailed: November 3, 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.

CG/hw

cc:

