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

IN THE MATTER OF:

[redacted]

Reg. No: 2011-24629
Issue No: 2026
Case No: 101003096
[redacted]
Genesee County DHS (Dist 6)

ADMINISTRATIVE LAW JUDGE: Vicki L. Armstrong

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Claimant's request for a hearing received on March 16, 2011. After due notice, a telephone hearing was held on June 15, 2011. Claimant personally appeared and provided testimony.

ISSUE

Whether the department properly determined Claimant's Medical Assistance (MA) 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 Medicaid and retroactive MA on February 15, 2011. Claimant was approved for full Medicaid coverage AD-CARE for November 2010, December 2010 and January 2011. (Department Exhibit A, pages 1-19; Exhibit D; Exhibit E).

2. On January 8, 2011, Claimant was awarded Retirement, Survivors and Disability Insurance (RSDI) in the amount of [redacted] beginning February 1, 2011, with a disability onset date of December 17, 2008. Based on budgeting Claimant's RSDI income, Claimant's Medicaid changed to a Medicaid deductible of [redacted], effective February 1, 2011. (Department Exhibit B, pages 1-3; Exhibit C, pages 1-2; Exhibit F).

3. On March 1, 2011, the department mailed Claimant a Notice of Case Action informing her that based on her award of RSDI, the department

determined that she was now eligible for Medicaid under a deductible of [redacted]. (Department Exhibit I, pages 1-6).

4. Claimant submitted a hearing request on March 16, 2011, protesting the Medicaid deductible. (Request for a Hearing).

CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1).

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

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 (DHS or department) 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).

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA).

The Medicaid program is comprised of several sub-programs or categories. One category is FIP recipients. Another category is SSI recipients. There are several other categories for persons not receiving FIP or SSI. However, the eligibility factors for these categories are based on (related to) the eligibility factors in either the FIP or SSI program. Therefore, these categories are referred to as either FIP-related or SSI-related.

To receive Medicaid under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive Medicaid under FIP-related categories.

The State of Michigan has set guidelines for income, which determine if a Medicaid group is eligible. Income eligibility exists for the calendar month tested when there is no excess income, or allowable medical expenses equal or exceed the excess income (under the Deductible Guidelines). BEM 545.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. BEM 166. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 Medicaid protected income levels based on shelter area and fiscal group size. BEM 544. An eligible Medicaid group (Group 2 MA) has income the same as or less than the "protected income level" as set forth in the policy contained in the Reference Table (RFT). An individual or Medicaid group whose income is in excess of the monthly protected income level is ineligible to receive Medicaid.

However, a Medicaid group may become eligible for assistance under the deductible program. The deductible program is a process, which allows a client with excess income to be eligible for 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. The Medicaid group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545; 42 CFR 435.831.

Claimant applied for Medicaid and Retro-Medicaid on February 15, 2011. Claimant was approved for full Medicaid coverage through the AD-CARE program for November 2010, December 2010 and January 2011. According to departmental policy, AD-CARE is an SSI-related Group 1 MA category. This category is available to persons who are aged or disabled (AD). Net income cannot exceed 100% of the poverty level. Income eligibility exists when net income does not exceed the income limit in RFT 242. According to the AD-CARE program limits, a group containing one member has an income limit of [redacted]. RFT 242.

As of February 1, 2011, Claimant was awarded RSDI in the amount of [redacted] a month. Therefore, Claimant is no longer eligible for Medicaid under the AD-CARE program due to excess income.

As a result, the department must determine if Claimant is eligible for Medicaid under the deductible program. BEM 545. In this case, Claimant's protected income level is [redacted]. The department properly calculated Claimant's net income at [redacted]. Subtracting the protected income level of [redacted] from Claimant's countable net income of [redacted] results in Claimant's monthly deductible being $506.00.

The Administrative Law Judge finds that the department properly determined Claimant's Medicaid eligibility. Once Claimant was awarded RSDI, Claimant was no longer eligible for full Medicaid under AD-CARE, therefore, the department was required to determine whether Claimant was eligible for Medicaid under the deductible program. As a result, the department properly determined Claimant's Medicaid eligibility.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly determined Claimant's Medicaid deductible.

Accordingly, the department's decision is AFFIRMED.

It is SO ORDERED.

_/s/_____
Vicki L. Armstrong
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: 6/20/11

Date Mailed: 6/20/11

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 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.

VLA/ds