

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201140054  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: August 1, 2011  
Macomb County DHS (12)

**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 August 1, 2011 from Detroit, Michigan. The claimant appeared and testified; [REDACTED] appeared and testified as Claimant's authorized hearing representative. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, and [REDACTED], Specialist, appeared and testified.

**ISSUE**

Whether DHS properly determined Claimant's eligibility for Medical Assistance (MA) benefits effective 3/2011 as Medicaid subject to a \$506 deductible.

**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 MA benefit recipient.
2. Claimant received \$847/month in Retirement, Survivors, Disability Insurance (RSDI) and \$87/month in retirement income.
3. On an unspecified date, DHS determined Claimant was eligible for Medicaid subject to a \$506/month deductible effective 3/2011.
4. On 3/18/11, Claimant requested a hearing disputing the MA benefit determination for 3/2011.

## 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). DHS 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 undersigned will refer to the DHS regulations in effect as of 3/2011, the estimated month of the DHS decision which Claimant is disputing. Current DHS manuals may be found online at the following URL: <http://www.mfia.state.mi.us/olmweb/ex/html/>.

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). AD-Care and G2S are both SSI-related categories. BEM 163 outlines the proper procedures for determining AD-Care eligibility. BEM 166 outlines the proper procedures for determining G2S eligibility.

For both types of MA coverage, DHS is to count the gross RSDI benefit amount as unearned income. BEM 503 at 20. DHS also counts the gross amount of retirement income as countable income. *Id.* at 20. It was not disputed that Claimant's gross monthly income was \$934 from RSDI and retirement (i.e. pension) income.

For both types of MA coverage, DHS allows a \$20 disregard. It is found that Claimant's net income for purposes of MA benefit eligibility is \$914.

Concerning AD-Care eligibility, the only expense considered in the budget is for guardianship (or employment expenses for individuals with employment income). If Claimant begins to incur guardianship expenses, it is possible Claimant could be eligible for MA through AD-Care by establishing as little as \$6/month in expenses.

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. The income limit was increased to \$908 beginning 4/2011. *Id.* Claimant's MA group's net income exceeds the AD-Care income limit for 3/2011 and 4/2011. 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 \$408. RFT 240 at 1. Claimant's insurance premiums are also deducted for the G2S calculation though Claimant did not have any insurance premium obligations. Subtracting Claimant's PIL (\$408) from the MA group's net income (\$914) results in a monthly deductible of \$506, the same as calculated by DHS (see Exhibit 1).

It is noted that Claimant missed the AD-Care eligibility limit by only \$6 and the result was a \$506 deductible. The undersigned has no authority to alter this outcome because it is dictated as appropriate based on DHS regulations.

Concerning G2S eligibility, Claimant has more options for expenses than for AD-Care, but a much higher amount of expenses required before Medicaid eligibility is established. Claimant would have to establish \$506 in expenses to meet the eligible income limit for G2S. G2S allows for expenses for guardianships/conservatorships, insurance premiums and remedial services; remedial services include basic self-care and rehabilitation training which teach and reinforce various skills. BEM 544 at 2.

BEM 545 also allows a specific allowance for personal care services to apply toward a deductible amount. As discussed during the hearing, Claimant would have to apply for the program. If eligible, the amount of chore service expense for which Claimant is eligible would be reduced from Claimant's income in calculating the G2S deductible.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly determined Claimant's 3/2011 MA benefit eligibility as

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Medicaid, subject to a \$506/month deductible. The actions taken by DHS are AFFIRMED.



Christian Gardocki  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: August 2, 2011

Date Mailed: August 2, 2011

**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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cc:

