

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

IN THE MATTER OF:



Reg. No.: 201144824
Issue No.: 2026, 2017
Case No.: [REDACTED]
Hearing Date: September 15, 2011
Oakland County DHS (03)

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 September 15, 2011 from Detroit, Michigan. The claimant appeared and testified; Todd Jones also appeared on behalf of Claimant. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUES

1. The first issue is whether DHS properly determined Claimant's spouse's eligibility for Medical Assistance (MA) benefits as Medicaid subject to a \$1240/month deductible.
2. A second issue is whether Claimant's spouse is eligible for Medicare Savings Program (MSP) which would assist in the payment of a Medicare premium.

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's spouse was an ongoing benefit recipient.
2. Claimant received \$1205/month in Retirement, Survivors and Disability Insurance (RSDI).
3. Claimant's spouse received \$712/month in Retirement, Survivors and Disability Insurance (RSDI).

4. Claimant's spouse is responsible for a \$115.40/month Medicare premium.
5. On an unspecified date, DHS determined Claimant's spouse was eligible for Medicaid subject to a \$1240/month deductible.
6. On an unspecified date, DHS determined Claimant's spouse was not eligible for assistance toward payment of a Medicare premium.
7. On 6/29/11, Claimant requested a hearing to dispute the DHS decisions concerning her spouse's eligibility for Medicaid and MSP.

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 6/2011, 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's spouse 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.

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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 spouse's gross monthly income was \$712 from RSDI while Claimant received \$1205/month from RSDI. What was disputed was whether Claimant's income should affect her spouse's MA eligibility.

For SSI-related adult MA eligibility, the fiscal and asset group includes a client and their spouse. BEM 211 at 5. As the present case involves an SSI-related adult determination of MA benefits, Claimant and her spouse's income should be factored into the budget.

The total income between Claimant and her spouse was \$1917. DHS allows a \$20 disregard. It is found that Claimant's net income for purposes of MA benefit eligibility is \$1897. Concerning AD-Care eligibility, the only expense considered in the budget is for guardianship (or employment expenses for individuals with employment income).

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 two person MA group is \$1226/month. RFT 242. It is found that DHS properly determined Claimant's spouse to be ineligible for AD-Care based on excess income.

Claimant's spouse 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 \$541. RFT 240 at 1. Claimant's spouse's insurance premiums (\$115.40 for Medicare) are also deducted for the G2S calculation. Subtracting Claimant's spouse's PIL (\$541) and Medicare premium payment from the MA group's net income (\$1897) results in a monthly deductible of \$1240 (rounding down), the same as calculated by DHS.

It must also be determined whether DHS properly denied MSP eligibility to Claimant's spouse. MSP programs offer three different degrees of assistance with payment toward a client's Medicare premium and deductibles. Qualified Medicare Beneficiaries (QMB) coverage pays for a client's Medicare premiums, deductibles and coinsurances. Specified Low Income Beneficiaries (SLMB) coverage pays for a client's Medicare Part B premium. Additional Low Income Beneficiaries (ALMB) coverage pays for a client's Medicare Part B premium if DHS funding is available.

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The type of MSP coverage a client receives depends on the client's income. BEM 165 at 2. Countable income for MSP is calculated according to the SSI-related MA policies in BEM 500 and 530. BEM 165 at 6. DHS is to apply the deductions in BEM 541 (for adults) to countable income to determine net income.

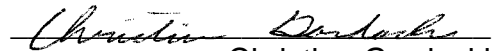
It was not disputed that Claimant and her spouse received \$1917/month in gross RSDI income. As above, a \$20 disregard is given bringing the net income down to \$1897.

The only other factors within an MSP determination are: earned income (RFT 541 at 3) guardianship or conservator expenses (see *Id.* at 4) and unearned allocation to non-SSI children (*Id.* at 2). It was not disputed that these factors did not apply to Claimant's MSP eligibility.

Income eligibility for MSP exists when a client's net income is within the limits as found in RFT 242. The net income limit for MSP eligibility is \$1656/month. RFT 242 at 1. The MA group's net income exceeded the net income limits for MSP eligibility. It is found that DHS properly terminated MSP benefits to Claimant's spouse.

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 spouse's eligibility for MA benefits as Medicaid subject to a \$1240/month deductible and a denial of MSP eligibility due to excess income. The actions taken by DHS are AFFIRMED.


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

Date Signed: September 20, 2011

Date Mailed: September 20, 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.

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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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