

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201144390
Issue No: 2014
Case No: [REDACTED]
Hearing Date: August 25, 2011
Ingham County DHS

ADMINISTRATIVE LAW JUDGE: Christopher S. Saunders

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. After due notice, a telephone hearing was held on August 25, 2011. The Claimant appeared and provided testimony.

ISSUES

Whether the department properly denied the claimant's Medical Assistance (MA) application due to excess income?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. On June 13, 2011, the claimant applied for MA benefits.
2. Based upon the claimant's income level reported to the department, the department determined the claimant's income exceeded the income limit for the Medicare Cost Share program through MA.
3. The department thereafter denied the claimant's MA application for the Medicare Cost Share program and proceeded to determine eligibility for the MA deductible program. (Department Hearing Summary).
4. The claimant was notified that he was denied MA through the Medicare Cost Share program via a notice of case action (DHS 1605) on June 14, 2011. (Department Exhibit 3).
5. The claimant was sent a verification checklist (DHS 3503) on July 6, 2011 to determine the proper amount of the deductible to be assigned through the MA program. (Department Exhibit 8).

6. The claimant filed a request for hearing on June 21, 2011.

CONCLUSIONS OF LAW

As a preliminary matter, the claimant indicated in his hearing request that he was requesting a hearing regarding his MA and Food Assistance Program (FAP) benefits. MAC 400.903 lays out instances where recipients of assistance have a right to an administrative hearing within the Michigan DHS. This rule specifies when an opportunity for a hearing shall be granted:

An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied or is not acted upon with reasonable promptness, and to any recipient who is aggrieved by an agency action resulting in suspension, reduction, discontinuance, or termination of assistance. MAC 400.903(1).

At the time of the claimant's hearing request, the department had not taken any action to suspend, reduce, discontinue or terminate the claimant's FAP benefits. Therefore, under the administrative rule discussed above, claimant does not have a right to a hearing regarding the FAP benefits and thus, this Administrative Law Judge has no jurisdiction on that matter.

Furthermore, at the time the claimant filed his hearing request, the department was still in the process of determining the claimant's eligibility and amount of patient spend down for the MA deductible program. Therefore, this Administrative Law Judge has no jurisdiction on the matter of the spend down assigned to the claimant.

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 affective eligibility for benefit levels whenever it is believed that the decision is incorrect. BAM 600. The department will provide an administrative hearing to review the decision and determine the appropriateness of that decision. BAM 600.

The Medical Assistance (MA) program was established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The department administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. 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).

Department policies for both programs are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), the Bridges Reference Manual (BRM), and the Reference Tables Manual (RFT).

With respect to the Medicaid program, it 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.

Clients may qualify under more than one Medicaid 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.

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.

In relation to Medicare Savings Plans, department policy states as follows:

MA Only

Medicare Savings Programs are SSI-related MA categories. They are neither Group 1 nor Group 2.

This item describes the three categories that make up the Medicare Savings Programs. The three categories are:

1. Qualified Medicare Beneficiaries

This is also called full-coverage QMB and just QMB. Program group type is QMB.

2. Specified Low-Income Medicare Beneficiaries

This is also called limited-coverage QMB and SLMB. Program group type is SLMB.

3. Q1 Additional Low-Income Medicare Beneficiaries

This is also referred to as ALMB and as just Q1. Program group type is ALMB.

There are both similarities and differences between eligibility policies for the three categories. Benefits among the three categories also differ. Income is the major determiner of category.

QMB

Net income cannot exceed 100% of poverty.

SLMB

Net income is over 100% of poverty, but not over 120% of poverty.

ALMB (Q1)

Net income is over 120% of poverty, but not over 135% of poverty.

A person who is eligible for one of these categories cannot choose to receive a different Medicare Savings Program category. For example, a person eligible for QMB cannot choose SLMB instead.

All eligibility factors must be met in the calendar month being tested. BEM 165.

Income Eligibility

Income eligibility exists when net income is within the limits in RFT 242 or 249.

Income eligibility cannot be established with a patient-pay amount or by meeting a deductible. BEM 165.

In the case at hand, the claimant applied for MA benefits and was originally evaluated for the Medicare Savings Plan as an additional low income beneficiary. The department calculated the claimant's income using unearned income from RSDI and unemployment. The department used a figure of [REDACTED] for gross unearned income and after applying the unearned income general exclusion, arrived at a net income amount of [REDACTED]. The claimant did not dispute the amount of income used by the department in determining the claimant's eligibility. The claimant testified that he was currently receiving both unemployment compensation and RSDI and that the amounts of each used by the department were accurate.

RFT 242 shows that the monthly income limit for a ALMB candidate with a group size of one is [REDACTED]. The claimant's net income of [REDACTED] clearly exceeds this amount and therefore, the department acted properly in accordance with policy in denying the claimant's MA application on the basis of the ALMB program.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department acted in accordance with policy in denying the claimant's MA application (through the ALMB program) based on excess income.

