

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

**IN THE MATTER OF:**



Reg. No.: 201239530  
Issue No.: 2002  
Case No.: [REDACTED]  
Hearing Date: May 3, 2012  
County: Wayne 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 following Claimant's request for a hearing. After due notice, an in-person hearing was held on May 3, 2012 from Taylor, Michigan. Participants on behalf of Claimant included the above named claimant, [REDACTED] and [REDACTED] appeared on behalf of Claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Manager.

**ISSUE**

The issue is whether DHS properly determined Claimant's eligibility for MA benefits effective 2/2012.

**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 was a recipient of \$818/month in Retirement, Survivor, Disability Insurance (RSDI).
3. Claimant was a recipient of \$505/month in veteran benefits.
4. Claimant was a Supplemental Security income (SSI) recipient whose last received SSI in 4/1974.

5. On 1/30/12, DHS determined Claimant was eligible for Medicaid subject to a \$687/month deductible.
6. On 3/2/12, Claimant requested a hearing to dispute the MA benefit determination.

### **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).

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.

The Medicaid program is comprised of several sub-programs which fall under one of two categories; one category is FIP-related and the second category is SSI-related. BEM 105 at 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. *Id.* It was not disputed that Claimant's basis for MA involves disability.

Claimant is known to be an RSDI recipient who previously received SSI. DHS established that Claimant's SSI converted to RSDI in 4/1974. The conversion date is important because it determines for which MA program Claimant may be eligible.

MA is available to a person receiving disabled adult children's (DAC) (also called Childhood Disability Beneficiaries' or CDBs') RSDI benefits under section 202(d) of the Social Security Act if he or she (see BEM 158 at 1):

- Is age 18 or older; and
- Received SSI; and
- Ceased to be eligible for SSI on or after July 1, 1987, because he became entitled to DAC RSDI benefits under section 202(d) of the Act or an increase in such RSDI benefits; and
- Is currently receiving DAC RSDI benefits under section 202(d) of the Act; and
- Would be eligible for SSI without such RSDI benefits.

Another potential MA program is a 503 individual. To be eligible as a 503 individual, the person must (see BEM 155 at 1):

- Currently receive RSDI benefits, and
- Have stopped receiving SSI benefits after April 1977, and

- Have been entitled to RSDI benefits in the last month he was eligible for and received SSI.

MA benefit eligibility as a DAC or 503 individual is generally more favorable for a client because the income eligibility terms are more client friendly. For example, for DAC eligibility, income eligibility exists when net income does not exceed the special protected income level in RFT 245. BEM 158 at 2. The special protected income levels are higher than the standard protected income levels applied for standard disability cases. For 503 benefit eligibility, DHS does not count cost of living adjustments since the 503 individual's last month of concurrent RSDI/SSI. BEM 155 at 2.

In the present case, DHS established that Claimant was an SSI recipient who last received SSI in 4/1974. The 4/1974 date of conversion makes Claimant ineligible for MA as a DAC or a 503 individual; each of those program require a later SSI to RSDI conversion date. Accordingly, Claimant is not entitled to MA benefits as a DAC or a 503 individual. Claimant may still be eligible for MA benefits through AD-Care.

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 \$931/month. RFT 242.

It was not disputed that Claimant receives \$818/month in RSDI. DHS is to count the gross RSDI benefit amount as unearned income. BEM 503 at 20.

It was also not disputed that Claimant is eligible for veteran benefits through his father for \$505/month. Apportionment is direct payment of VA benefits to a dependent of the veteran or veteran's surviving spouse. *Id.* at 28. These payments are the dependent's countable unearned income. *Id.*

For purposes of AD-care eligibility, DHS applies a \$20 income disregard; no other deductions apply. Claimant's net income for purposes of AD-Care eligibility is \$1303. It is found that Claimant's net income exceeds the net income limits for AD-Care.

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 \$375. RFT 240 at 1. Claimant's insurance premiums are also deducted for the G2S calculation.

It was not disputed that Claimant had \$222.76/month in insurance premium costs. Subtracting the premiums from Claimant's monthly income (also applying the \$20 income disregard) results in a net income of \$1080 (rounding to nearest dollar). Subtracting Claimant's PIL from the MA group's net income results in a monthly deductible of \$705. DHS calculated a deductible of \$687/month by using a different income amount. For purposes of this decision, the DHS decision will be adopted as

correct, as it is more favorable for Claimant. Accordingly, it is found that DHS properly determined Claimant to be eligible for Medicaid subject to a \$687/month 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 MA benefit eligibility effective 2/2012 as Medicaid subject to a \$687/month deductible. The actions taken by DHS are AFFIRMED.



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

Date Signed: May 15, 2012

Date Mailed: May 15, 2012

**NOTICE:** Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases).

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,
  - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
  - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at  
Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

CG/hw

cc:

