# STATE OF MICHIGAN MICHIGAN ADMINISTRATIVE HEARING SYTEM ADMINISTRATIVE HEARINGS FOR THE DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

Reg. No: 201266062 Issue No: 2014, 3000

Case No:

Hearing Date: August 21, 2012

Calhoun County DHS

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

# **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 hearing was held on August 21, 2012. Claimant appeared and testified. During the hearing it was determined that no action had been taken regarding Claimant's Food Assistance Program (FAP) at the time of this hearing request. Following this hearing request Claimant was sent a Notice of Case Action (DHS-1605) regarding his Food Assistance Program (FAP) and has requested a hearing about that subsequent Departmental action. There is no hearable Food Assistance Program (FAP) issue in this hearing and the Food Assistance Program (FAP) action tag placed on this case is dismissed.

## **ISSUE**

Did the Department of Human Services determine the proper level of Medical Assistance (MA) coverage for Claimant and his spouse on July 18, 2012?

### 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 was an ongoing recipient of Medical Assistance (MA) benefits.
- 2. On July 18, 2012, the Department ran an updated Medical Assistance (MA) financial eligibility budget to include Social Security Administration benefits received by Claimant and e. Claimant was sent a Notice of Case Action (DHS-1605) which stated they were not eligible for any Medicare Cost Sharing Programs or Medicaid AD-Care coverage.
- 3. On July 24, 2012. Claimant submitted a request for hearing.

### **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). 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 Program Reference Manual (PRM).

During this hearing Claimant verified the Social Security Administration benefits being received by himself and his to Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

# BEM 163 AD-CARE DEPARTMENT POLICY MA Only

This is an SSI-related Group 1 MA category. Consider eligibility under this category only if eligibility does not exist under BEM 154 through 158. Use this category before using Extended-Care (BEM 164) or any Group 2 MA category.

This category is available to persons who are aged or disabled (AD). Net income cannot exceed 100% of the poverty level. All eligibility factors in this item must be met in the calendar month being tested. If the month being tested is an L/H month and eligibility exists, go to BEM 546 to determine the post-eligibility patient-pay amount.

#### NONFINANCIAL ELIGIBILITY FACTORS

- 1. The person must not be eligible for MA under BEM 154 through 158.
- The person must be aged (BEM 240, Age) or disabled (BEM 260, MA Disability/Blindness).

**Note:** Blindness is not a basis of eligibility. However, a blind person who is also aged or disabled meets this eligibility factor.

- 3. The MA eligibility factors in the following items must be met.
- BEM 220, Residence.
- BEM 221, Identity.
- BEM 223, Social Security Numbers
- BEM 225, Citizenship/Alien Status
- BEM 255, Child Support.
- BEM 256, Spousal/Parental Support.

- BEM 257, Third Party Resource Liability.
- BEM 265, Institutional Status.
- BEM 270, Pursuit of Benefits.

# FINANCIAL ELIGIBILITY FACTORS Groups

Use fiscal and asset group policies for SSI-related groups in BEM 211.

#### Assets

Countable assets cannot exceed the asset limit in BEM 400. Countable assets are determined based on MA policies in BEM 400, 401 and 402.

#### **Divestment**

Policy in BEM 405 applies.

### **Income Eligibility**

Income eligibility exists when net income does not exceed the income limit in RFT 242. Income eligibility cannot be established with a patient pay amount or by meeting a deductible.

Determine countable income according to SSI-related MA policies in BEM 500 and 530 *except* as explained in "COUNTABLE RSDI" below. Apply the deductions in BEM 540 (for children) or 541 (for adults) to countable income to determine net income.

### **COUNTABLE RSDI**

Gross amount means the amount of RSDI before any deduction such as Medicare.

Countable RSDI for fiscal group members is the gross amount for the previous December when the month being tested is January, February or March. Federal law requires that the cost-of-living increase received in January be disregarded for these three months. For all other months, countable RSDI is the gross amount for the month being tested.

For all other persons whose income must be considered, countable RSDI is always the gross amount for the month being tested.

# BEM 165 MEDICARE SAVINGS PROGRAMS DEPARTMENT POLICY 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.

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.

# FINANCIAL ELIGIBILITY FACTORS Groups

Use fiscal and asset group policies for SSI-related groups in BEM 211.

#### Assets

Countable assets **cannot** exceed the limit in BEM 400. Countable assets are determined based on MA policies in BEM 400, 401 and 402.

#### Divestment

Policy in BEM 405 applies to QMB because there could be a Medicare coinsurance or deductible for LTC or home and community-based services.

# 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.

Determine countable income according to the SSI-related MA policies in BEM 500 and 530, **except** as explained in "COUNTABLE RSDI" below. Apply the deductions in BEM 540 (for children) and 541 (for adults) to countable income to determine net income.

#### COUNTABLE RSDI

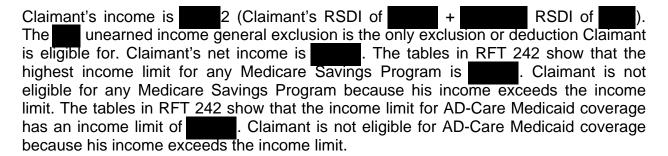
Federal law requires that for January, February and March:

- The RSDI cost-of-living increase received starting in January be disregarded for fiscal group members, and
- The income limits for the preceding December be used. For all other months, countable RSDI means the countable amount for the month being tested. For all other persons whose income must be considered, the RSDI cost-of-living increase is **not** disregarded.

#### Countable RSDI

Enter countable RSDI for the month being tested. When the month being tested is January, February or March Bridges will automatically:

- Computes and deducts the RSDI cost-of-living increase for fiscal group members, and
- Uses the limits for the preceding December.



# **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services determined the proper level of Medical Assistance (MA) coverage for Claimant and his spouse on July 18, 2012.

It is ORDERED that the actions of the Department of Human Services, in this matter, are UPHELD.

/s/

Gary F. Heisler
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: August 27, 2012

Date Mailed: August 28, 2012

**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.

#### GFH/tb

CC:

