

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

**IN THE MATTER OF:**



Reg. No.: 201232133  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: July 5, 2012  
County: Wayne DHS (15)

**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, a telephone hearing was held on July 5, 2012 from Detroit, Michigan. Participants included the above named claimant; [REDACTED] testified and appeared as Claimant's translator. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Manager, and [REDACTED], Specialist.

**ISSUE**

The issue is whether DHS properly determined Claimant's eligibility for Medical Assistance (MA) benefits.

**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 \$1059/month in Retirement, Survivor, Disability Insurance (RSDI).
3. On 11/16/11, DHS determined that Claimant was eligible for Medicaid subject to a \$630/month deductible.
4. On 2/3/12, Claimant requested a hearing to dispute the determination of MA benefit eligibility.

## **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.

Neither Claimant nor his witness could state why an administrative hearing was requested. The hearing request was made by an authorized hearing representative who did not attend the hearing. It is known that Claimant's hearing request specifically related to a DHS determination of MA benefit eligibility dated 11/16/11. That decision will be evaluated for its correctness.

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. It was not disputed that Claimant and her spouse were over the age of 65 years (see Exhibits 2 and 3). As aged persons, Claimant and her 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. 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, generally, DHS is to count the gross RSDI benefit amount as unearned income. BEM 503 at 20. There are exceptions to the general rule but no evidence was presented to justify applying an exception. It was not disputed that Claimant received \$1059/month in gross RSDI as of 11/2012.

For purposes of AD-Care eligibility, DHS allows a \$20 income disregard. DHS also gives budget credits for employment income, guardianship/conservator expenses and cost of living adjustments (for January through March only). None of the deductions apply to Claimant. Claimant's net income, for purposes of AD-Care eligibility as of 11/2011 is \$1039.

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 (as of 11/2011) was \$908/month. RFT 242. It is found that DHS properly determined Claimant to be ineligible for AD-Care based on excess income.

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.*

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. The PIL for Claimant's shelter area is \$375. RFT 240 at 1.

The G2S budget also factors insurance premiums, remedial services and ongoing medical expenses. There was no evidence of any of the above expenses from either DHS or Claimant. Subtracting the PIL (\$375) from the MA group's net income results in a monthly deductible of \$664 (dropping cents). DHS calculated a deductible for Claimant of \$630. For purposes of this decision, the decision more favorable to Claimant will be accepted as accurate; the more favorable decision is the DHS decision. Thus, it is found that DHS properly determined Claimant's MA benefit eligibility.

### **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 eligibility for MA benefits as Medicaid subject to a \$630/month deductible. The actions taken by DHS are AFFIRMED.

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

Date Signed: July 11, 2012

Date Mailed: July 11, 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 to:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

CG/hw

cc:

