

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201317454
Issue No.: 2017, 2026
Case No.: [REDACTED]
Hearing Date: May 2, 2013
County: Wayne County (#17)

ADMINISTRATIVE LAW JUDGE: MICHELLE HOWIE

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 conducted on Thursday, May 1, 2013, from Detroit, Michigan. The Claimant appeared along with her husband [REDACTED]. Participants on behalf of Department of Human Services (Department) included [REDACTED] (Eligibility Specialist).

ISSUE

Whether the Department properly determined the Claimant's Medicare Savings Program benefits?

Whether the Department properly determined the Claimant's Medical Assistance (MA) deductible amount?

FINDINGS OF FACT

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

1. The Claimant and her husband were ongoing MA and Medicare Savings Program recipients under Qualified Medicare Beneficiaries (QMB) program.
2. The Claimant receives \$257/month in RSDI income; and the husband receives \$1264.00/monthly in RSDI income. (Exhibit 5 & 6)

3. The Claimant has two minor children in the home; one receives \$257/monthly in RSDI income, the other receives \$257/monthly in SSI income. (Exhibit 7)
4. The Department determined the Claimant would have a MA deductible of \$964 based on the total household unearned income.
5. On November 30, 2012, the Department sent Notice of Case Action that the Medicare Savings Program benefits would change from QMB to ALMB; and she would have a MA deductible of \$964.00 per month effective January 1, 2013. (Exhibit 3)
6. On December 7, 2013, the Department received the Claimant's written hearing request disputing the action.

CONCLUSIONS OF LAW

The Department of Human Services (DHS) policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Medical Assistance (MA) program is established by the 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 (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

Medicare Savings Programs are SSI-related MA categories that assist clients with payment of Medicare Part A or B premiums. MA is available to parents and other caretaker relatives who meet certain non- financial and financial eligibility factors. All eligibility factors must be met in the calendar month being tested. BEM 135 (January 2011), p.1. Medicare Savings Programs are SSI-related MA categories but are neither Group 1 nor Group 2. BEM 165 (October 2010), p. 1. There are three categories that make up the Medicare Savings Program: 1) Qualified Medicare Beneficiaries (QMB) ; 2) Specified Low-Income Medicare Beneficiaries (SLMB); and Q1 Additional Low-Income Medicare Beneficiaries (ALMB). Income is the major determiner of the categories. QMB- net income cannot exceed over 100% of poverty level; SLMB- net income is over 100% but cannot exceed 120% of poverty level; and ALMB- net income is over 120% but cannot exceed 135% of poverty level. BEM 165, p. 2. All categories pay Medicare Part B premiums for a client with category QMB paying any Medicare deductibles also. BEM 165, p. 2. Income eligibility exists when net income is within the limits in RFT 242. The income limit for the QMB category with a group size of 2 is \$1,293 and the limit for ALMB is \$1,745. RFT 242 (April 2012), p. 1.

Here the Claimant's countable household unearned income was \$1,671.00. The amount exceeded the limit for the QMB category but not the ALMB category.

In regards to the MA deductible amount, in general, household net income must be at or below a certain income level for eligibility to exist. BEM 105, p. 1. Husband and wife income must be counted together in the eligibility determination. The protected income limit is a set allowance, which is based on shelter area and group size, for non-medical needs such as food, shelter and incidental expenses. An individual or MA group whose income exceeds the monthly protected income level is ineligible to receive MA. However, an individual or MA group may become eligible for assistance under the deductible program. A deductible is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. BEM 545 (July 2011), p. 9. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545, p. 9. The Department will add MA coverage each month the group meets its deductible. BEM 545, p. 9.

In this case, the Claimant did not dispute the amount of monthly countable unearned RSDI income received by each family member. Claimant's net household income (\$1,552) after deductions, exceeds the monthly protected income level for a group size of 4 (\$563) by \$964 per month. Claimant is consequently ineligible to receive ongoing MA benefits. However, under the deductible program, if the Claimant incurs medical expenses of \$964 during any month, she may be eligible for MA benefits. Claimant argues that she is unable to pay the deductible per month for her medical expenses, because of limited means. While the undersigned does sympathize with the Claimant, there is no jurisdiction to change or alter Department policy or state law. Therefore, I find the Department presented sufficient evidence to establish it acted in accordance with policy with regards to the MA deductible determination. Accordingly, the Department action is upheld.

Notably, the Claimant's husband referenced his own medical case, however, the particulars of his medical case was not part of the hearing record. If Claimant's husband has received a negative case action on an open MA case that he has, he may request a hearing to dispute any such action. This decision does not address the Claimant's husband's medical benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department established it acted properly when it closed the QMB case and opened the AMLB Medicare Savings benefit program; and determined the Claimant would have a MA deductible of \$964 effective January 1, 2013.

Accordingly, the Department's MA determination is hereby, **AFFIRMED**.

M. Howie

Michelle Howie
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 5/9/2013

Date Mailed: 5/9/2013

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

MH/hw

cc:

