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

IN THE MATTER OF: Reg. No: 201311952

Issue No: <u>2026</u>

Case No:

Hearing Date: April 25, 2013

County: Monroe County DHS

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

HEARING DECISION

This matter is before the undersigned Admini strative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Claim ant's request for a hearing received on Novemb er 7, 2012. After due notice, a telephone hearing was held on April 25, 2012. Participants on behalf of Claimant included (Claimant's spouse/Authorized Hearing Representative) and (Claimant). Participants on behalf of the Department included (Eligibility Specialist) and (Assistance Payments Manager).

<u>ISSUE</u>

Whether the Depart ment properly determined Claimant's Medical Assistance (MA) deductible benefits?

FINDINGS OF FACT

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

- Claimant was active for MA-Ad Care.
- Claimant's MA-Ad Care eligibility was based, in part, on Claimant's spouse's monthly unearned income from RSDI in the amount of \$733.00. Claimant did not have his own income at this time.
- 3. Beginning in April, 2012, Claimant began receiving RSDI in the amount of \$1,717.00.
- 4. On October 30, 2012, the Department mailed Claimant a Notice of Case Action (DHS-1605) which approved Claim ant's MA c ase for a deductib le in the amount of \$1,966.00 effective December 1, 2012.

5. On November 7, 2012, Claimant submitted a hearing request protesting the amount of his MA deductible.

CONCLUSIONS OF LAW

The client has the right to request a hearing fo r any action, failure to act or undue de lay by the department. BAM 105. The department provides an administrative hearing to review the decision and determine its appropriateness. BAM 600.

The regulations that gov ern the hearing and appeal process for applicants and recipients of public assistance in Michigan are contained in the Michigan Administrative Code (Mich Admin Code) Rules 400.901 through 400.951. An opportunity for a hearing shall be granted to a recipient who is a ggrieved by an agency action resulting in suspension, reduction, discontinuance, or termination of assistance. Mich Admin Code 400.903(1).

The Medic al Assistance (MA) program was established by Tit le 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. Depar tment policies for the MA programs are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), the Bridge s Reference Manual (BRM), and the Reference Tables Manual (RFT).

The MA program is also referred to as "Medica id." BEM 105. The goal of the Medicaid program is to ensure that e ssential health care services are made available to those who otherwise could not afford them. BEM 105. The Medicaid program is comprised of several sub-programs or cat egories. One category is FIP recipients. BEM 105. Another category is SSI recipients. BEM 105. There are several other categories for persons not receiving FIP or SSI. BEM 105. Ho wever, the eligibility factors for these categories are based on (related to) the eligibility factors in either the FIP or SSI program. BEM 105. Therefore, these categories are referred to as either FIP-related or SSI-related. BEM 105.

To receive Medicaid under an SSI-related ca tegory, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Fa milies with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive Medicaid under FIP-related categories. For MA only, a client and the collient's community spouse have the right to request a hearing on an initial asset assessment only if an application has actually been filed for the client. BAM 105. For amilies with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. BEM 105.

For purpos es of MA in general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 105. For Group 1, net income (countable income minus allowable

income deductions) must be at or below a cert ain income limit for eligib ility to e xist. BEM 105. The income limit, which varies by category, is for nonmedical needs such as food and shelter. BEM 105. Medical expenses are not used when determining eligibility for FIP-related and SSI-related Group 1 categorie s. BEM 105. For Group 2, eligibility is possible even when net income exceeds the income limit. BEM 105. This is because incurred m edical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 categories. BEM 105.

BEM 544 applies to all FIP —related and SSI-related Gr oup 2 MA categories. The department must use the appropri ate protected incom e level (PIL) (defined below) for each fiscal group. BEM 544. The department may include other need item s only when the fiscal group meets the r equirements for them. BEM 544. The department shall then determine the fiscal group's total needs. BEM 544. The depart ment will t hen look t o BEM 545 to complete the income eligibi —lity determination. BEM 544. The protected income level (PIL) is a set allowance for n on-medical need items such as shelter, food and incidental expenses. BEM 544. RFT 240 lists the Gr oup 2 MA PILs based on shelter area and fiscal group size. BEM 544.

A fiscal gr oup is est ablished f or each pers on requesting MA (see BEM 211) an d budgetable income is determined for each fiscal group member. BEM 536. Since how a client's income must be considered may differ among family members, special rules are used to prorate a per son's income among the person's dependents, and t hemselves. BEM 536.

MA-only eligibility is determined on a cale ndar month basis. BE M 105. Unless polic y specifies otherwise, circumstances that exis ted, or are expected to exist, during the calendar month being tested are used to determine eligibility for that month. BEM 105.

Deductible is a process which allows a client with excess income to become elig ible for Group 2 MA if sufficient allo wable medical expens es are in curred. BEM 545. Active Deductible cases will be opened on Bridges without ongoing Group 2 MA coverage as long as the fiscal group has excess income and at least one fiscal group member meets all other Group 2 MA eligibility factors. BEM 545.

According to policy, the fiscal group's mont hly exces s income is called a deductible amount. BEM 545. Meeting a deductible means reporting and veri fying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545.

For an MA deduc tible c lient, a future month b udget must be per formed at redetermination and when a change occurs that may affect deductible status. BEM 530. Countable income is income remaining after applying MA policy in BEM 500. BEM 530.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by

category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for FIP -related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are us ed when determining eligibility for FIP -related and SSI-related Group 2 categories. BEM 105.

A fiscal gr oup is est ablished f or each pers on requesting MA (see BEM 211) and budgetable income is determined for each fisca I group member. Since ho w a client's income must be considered may differ among family members, special rules are used to prorate a person's income among the person's dependents, and themselves. BEM 536.

In the instant matter, the Depar tment has properly determined Claimant's deductible amount as \$1,966.00 based on the Claimant's and spouse's income. Accordingly, this Administrative Law J udge finds that the Department properly determined Claimant's eligibility for MA based on the income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusion sof law, decides that the Department acted in accordance with policy in determining the claimant's MA eligibility and deductible amount.

The department's MA eligibility determination is **AFFIRMED**.

It is SO ORDERED.

<u>/s/</u>

C. Adam Purnell Administrative Law Judge for Maura D. Corrigan, Director Department of Human Services

Date Signed: April 29, 2013

Date Mailed: April 29, 2013

NOTICE: Michigan Administrative Hearing Syst em (MAHS) may order a rehearing or reconsideration on either its own motion or at the request of a par ty within 30 days of the mailing date of this Dec ision and Order. MAHS will not order a rehearing or reconsideration on the Department's mo tion where the final decis ion 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 ti mely 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 <u>MAY</u> 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

Re

consideration/Rehearing Request

P. O. Box 30639

Lansing, Michigan 48909-07322

CAP/aca



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NOTICE: Administrative Hearings may or der 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 Hear ings will not orde rarehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 days of the filing of the original request.

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 ti mely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

CAP/

CC: