

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2013-25666
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: July 3, 2013
County: Macomb (50-20)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 3, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

ISSUE

Did the Department properly close Claimant's Medical Assistance (MA) coverage under the Ad-Care program and provide Claimant with MA coverage subject to a monthly \$1,549 deductible?

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 Medical Review Team (MRT) approved Claimant for MA based on the Social Security Administration (SSA) finding that Claimant was disabled.
2. On January 11, 2013, the Department sent Claimant a Notice of Case Action informing him that he was approved for full-coverage MA under the Ad-Care program for July 1, 2012, through December 31, 2012, and eligible for MA subject to a monthly \$1,549 deductible for January 1, 2013, ongoing.
3. On January 22, 2013, Claimant filed a hearing request, disputing the Department's actions.

CONCLUSIONS OF LAW

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

After MRT approved Claimant's MA application following the SSA's finding that Claimant was disabled, the Department sent Claimant a January 11, 2013, Notice of Case Action informing him that he was approved for full-coverage MA under the Ad-Care program for July 1, 2012, through December 31, 2012, and eligible for MA subject to a monthly \$1,549 deductible for January 1, 2013, ongoing.

Closure of Ad-Care Case

The Ad-Care program provides full MA coverage to individuals who meet the net income limit. BEM 163 (October 1, 2010), p. 1. At the hearing, the Department explained that Claimant no longer was eligible for full-coverage MA under the Ad-Care program beginning January 1, 2013, because he began receiving gross monthly Retirement, Survivors and Disability Insurance (RSDI) benefits of \$1,977 as of January 1, 2013, which caused him to exceed the income limit for Ad-Care eligibility. The applicable income limit under the Ad-Care program in January 2013, the time the Department closed Claimant's Ad-Care coverage, for a one-member MA fiscal group (consisting of Claimant) was \$931. BEM 163, p. 2; BEM 211 (November 1, 2012), pp. 5-6; RFT 242 (May 1, 2012), p. 1.

In this case, Claimant verified his gross monthly RSDI income of \$1,977. Claimant's gross monthly unearned income of \$1,977 is reduced by a \$20 disregard, resulting in a net unearned income of \$1,957. See BEM 163, p. 2; BEM 530 (October 1, 2012); BEM 541 (January 1, 2011), p. 3.

Because Claimant's group's net income of \$1,957 exceeded the \$931 income limit under the Ad-Care program, the Department acted in accordance with Department policy when it closed Claimant's MA coverage under the Ad-Care program.

MA Deductible

The Department testified that, although Claimant was not eligible for full-coverage MA, he was eligible for MA with a monthly \$1,549 deductible. Clients are eligible for Group 2 MA coverage when their net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL),

which is based on the client's shelter area and fiscal group size. BEM 105 (October 1, 2010), p. 1; BEM 166 (October 1, 2010), pp. 1-2; BEM 544 (August 1, 2008), p. 1; RFT 240 (July 1, 2007), p. 1. The monthly PIL for an MA group size of one living in Macomb County is \$408 per month. RFT 200 (July 1, 2007), p. 1; RFT 240, p. 1. Thus, if Claimant's net income is in excess of \$408, he may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that his monthly income exceeds \$408. BEM 545 (July 1, 2011), p. 2.

In this case, the Department produced an SSI-Related MA budget showing how the deductible in Claimant's case was calculated. As discussed above, Claimant's net income totaled \$1,957. BEM 530 (October 1, 2012), p. 1; BEM 541 (January 1, 2011), p. 3. The evidence at the hearing showed that Claimant had not presented the Department with any medical expenses he incurred prior to the hearing date that qualified as need items under policy. See BEM 541; BEM 544.

Because Claimant's net income of \$1,957 for MA purposes exceeds the monthly protected income level of \$408 by \$1,549, the Department calculated Claimant's monthly \$1,549 MA deductible in accordance with Department policy.

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 acted in accordance with Department policy when it closed Claimant's Ad-Care coverage and provided him with MA coverage subject to a monthly \$1,549 deductible.

Accordingly, the Department's MA decision is AFFIRMED.



Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: July 9, 2013

Date Mailed: July 10, 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

ACE/pf

cc:

