

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2013-35933
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: June 20, 2013
County: Wayne (82-17)

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 June 20, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED]. 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 Medicare Savings Program (MSP) and provide MA coverage subject to a monthly \$558 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. Claimant was an ongoing recipient of MA benefits.
2. On February 26, 2013, the Department sent Claimant a Notice of Case Action notifying her that, effective April 1, 2013, her MSP coverage would change from QMB to SLMB and her MA coverage under the Ad-Care program would close and she would be eligible for MA coverage subject to a monthly \$558 deductible.
3. On March 21, 2013, Claimant filed a request for hearing disputing the Department's action.

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.

In a February 26, 2013, Notice of Case Action, the Department notified Claimant that because of excess income, effective April 1, 2013, her MSP coverage would change from QMB to SLMB and her full-MA coverage under the Ad-Care program would close and she would be eligible for MA coverage subject to a monthly \$558 deductible.

Ad-Care and MSP benefits are both SSI-related MA category programs. BEM 163 (October 1, 2010), p. 1; BEM 165 (October 1, 2010), p. 6. Ad-Care MA coverage provides for full MA coverage. See BEM 163, p. 1; BEM 105 (October 1, 2010), p. 1. MSP provides assistance in payment of Medicare expenses and is made up of three categories: Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SLMB), and Additional Low-Income Medicare Beneficiaries (ALMB). BEM 165, p. 1. QMB pays a client's Medicare premiums (both Part B premiums and, for those few people who have them, Part A premiums), Medicare coinsurances and Medicare deductibles. BEM 165, pp. 1-2. SLMB pays Medicare Part B premiums only. BEM 165, p. 2.

Individuals are eligible for Ad-Care and QMB if their net income does not exceed 100% of the federal poverty level. BEM 163, p. 2 ; BEM 165, p. 6. Effective April 1, 2013, the monthly limit under this standard for an MA group size of one (Claimant) is \$958. RFT 242 (May 1, 2012), p. 1; BEM 211 (November 1, 2012), pp. 5-6. If a client's net income is between \$959 and \$1,149, the client is eligible for MSP coverage under the SLMB program. BEM 165, p. 1.

In determining a client's net income for MA purposes, the Department considers the gross monthly Retirement, Survivors, and Disability Income (RSDI) benefits received by the client. BEM 503 (November 1, 2012), p. 21; BEM 530 (October 1, 2012), p. 2; BEM 165 (October 1, 2010), p. 6. This unearned income is reduced by a \$20 disregard. BEM 541 (January 1, 2011), p. 3.

In this case, the Department reviewed Claimant's SOLQ report, the Department's data interchange with the Social Security Administration (SSA), to establish that Claimant's gross monthly RSDI income was \$953. Reducing this amount by the \$20 disregard results in gross monthly income of \$933. Because Claimant's net monthly income of

\$933 is less than the Ad-Care and QMB limit of \$959, the Department did not act in accordance with Department policy when it closed Claimant's Ad-Care and QMB cases.

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 did not act in accordance with Department policy when it closed Claimant's MA coverage under the Ad-Care and QMB programs.

Accordingly, for the reasons stated on the record and above, the Department's decision is REVERSED.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reinstate Claimant's MA coverage under the Ad-Care and QMB programs effective April 1, 2013, ongoing.



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

Date Signed: June 24, 2013

Date Mailed: June 24, 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.

2013-35933/ACE

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:

