

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201347576  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: July 29, 2013  
County: Wayne DHS (19)

**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 29, 2013, from Detroit, Michigan. Participants included the above-named claimant. [REDACTED] testified on behalf of Claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED] Supervisor, and [REDACTED], Specialist.

**ISSUE**

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

**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 Medicaid recipient.
2. Claimant was part of a household that included her spouse.
3. Claimant received \$742/month in Retirement, Survivors, Disability Insurance (RSDI).
4. Claimant's spouse received \$1082/month in Retirement, Survivors, Disability Insurance (RSDI).
5. Claimant and her spouse each paid \$104.90 for a Medicare premium.

6. On 5/8/13, DHS determined Claimant's and her spouse's MA benefit eligibility, effective 6/2013, as Medicaid subject to a \$1094/month deductible (see Exhibits 1-2).
7. On 5/15/13, Claimant requested a hearing to dispute the MA benefit determination.

### **CONCLUSIONS OF LAW**

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. DHS regulations 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.

Clients may qualify under more than one MA category. BEM 105 (10/2010), p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility or the least amount of excess income. *Id.* It was not disputed that Claimant was a disabled and/or an aged individual. As a disabled person, Claimant 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.

Initially, there was a dispute concerning whether Claimant lived with her spouse. Claimant testified that her spouse travels a lot and that she and her spouse are currently separated. As of 5/8/13, the date of the MA determination in dispute, Claimant conceded that DHS had no reason to know that Claimant and her spouse were separated. DHS had no reason to factor what Claimant did not report. It is found that DHS properly determined Claimant's MA benefit eligibility based on a household size of two persons.

It was not disputed that Claimant and her spouse each received RSDI. Claimant's daughter testified that Claimant received \$643/month (the actual amount was \$637) and that Claimant's spouse received \$977/month in RSDI; Claimant's daughter presented testimony of the net RSDI issuances. For both types of MA coverage, DHS is to count the gross RSDI benefit amount as unearned income. BEM 503 (11/2012), p. 20. As a person living with her spouse, Claimant's spouse's income is a budget factor (see BEM 211). The total gross RSDI for Claimant and her spouse was \$1824.

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 (COLA) (for January through March only). Applying a \$20 income disregard results in a countable income of \$1804 for purposes of AD-Care eligibility.

Income eligibility for AD-Care exists when net income does not exceed the income limit for the program. BEM 163 (10/2010), p. 1. The net income limit for AD-Care for a two-person MA group is \$1293/month. RFT 242 (4/2013), p. 1. As Claimant's and her spouse's countable income exceeded the AD-Care income limit, it is found that DHS properly determined Claimant to be ineligible for AD-Care based on excess income.

Claimant may still receive MA benefits, subject to a monthly deductible through the G2S program. Clients with a 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 (7/2011), p. 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.*

The deductible is calculated by subtracting the Protected Income Level (PIL) from the MA net income. The protected income level (PIL) is a standard allowance for non-medical need items such as shelter, food and incidental expenses. The PIL for Claimant's shelter area and group size is \$500. RFT 240 (7/2007), p. 1.

The G2S budget factors insurance premiums, remedial services and ongoing medical expenses. It was not disputed that Claimant and her spouse each had a \$104.90/month insurance expense. Subtracting the PIL, \$20 disregard and insurance expense (\$210 after rounding to nearest dollar) from the group's income results in a monthly deductible of \$1094, the same amount as calculated by DHS. 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 \$1094/month deductible effective 6/2013. The actions taken by DHS are AFFIRMED.



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

Date Signed: 8/19/2013

Date Mailed: 8/19/2013

**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

CG/hw

cc:

