

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

IN THE MATTER OF:

██████████
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████████████████████

Reg. No.: 2013-65898
Issue No.: 2026
Case No.: ██████████
Hearing Date: October 24, 2013
County: Oakland (03)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on October 24, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████, Family Independence Manager.

ISSUES

Did the Department properly close Claimant's Supplemental Security Income (SSI) - Medical Assistance (MA) coverage?

Did the Department properly calculate Claimant's MA deductible in the amount of \$707 for September 1, 2013, ongoing?

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 is an ongoing recipient of MA benefits. See Exhibit 1.
2. Claimant was a recipient of SSI benefits from the Social Security Administration (SSA).
3. Due to Claimant being an SSI recipient, he received MA - SSI coverage. See Exhibit 1.

4. Then, on or around April 2013, Claimant began to receive Retirement, Survivors, and Disability Insurance (RSDI) benefits from SSA.
5. Due to Claimant no longer receiving SSI benefits, his MA-SSI terminated effective September 1, 2013, ongoing. See Exhibit 1.
6. On August 13, 2013, the Department sent Claimant a Notice of Case Action notifying him that, effective September 1, 2013, ongoing, he would receive MA coverage with a monthly \$707 deductible. Exhibit 1.
7. On August 21, 2013, Claimant filed a hearing request, disputing the Department's action. Exhibit 1.

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), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

MA – SSI termination

SSI is a cash benefit for needy individuals who are aged (at least 65), blind or disabled. BEM 150 (March 2013), p. 1. The Social Security Administration (SSA) determines SSI eligibility. BEM 150, p. 1.

RSDI is a federal benefit administered by the Social Security Administration that is available to retired and disabled individuals, their dependents, and survivors of deceased workers. BEM 503 (July 2013), p. 21.

To be automatically eligible for Medicaid (MA) an SSI recipient must both: be a Michigan resident and cooperate with third-party resource liability requirements. BEM 150, p. 1. DHS administers MA for SSI recipients, including a continued MA eligibility determination when SSI benefits end. BEM 150, p. 1.

At the hearing, Claimant was a recipient of SSI benefits. However, on or around April 2013, Claimant began receiving RSDI benefits from SSA. Moreover, the Department did present a SOLQ report for review. See Exhibit 1. A review of the SOLQ report indicates that Claimant is receiving RSDI as of April 1, 2013. Exhibit 1.

Based on this information and evidence, the Department properly closed Claimant's MA – SSI effective September 1, 2013, ongoing, in accordance with Department policy. Due to Claimant no longer receiving SSI benefits, he is not eligible for MA-SSI coverage. BEM 150, p. 1.

MA deductible

On August 13, 2013, the Department sent Claimant a Notice of Case Action notifying him that, effective September 1, 2013, ongoing, he would receive MA coverage with a monthly \$707 deductible. Exhibit 1.

It was not disputed that Claimant was disabled and/or an aged individual. As a disabled person, Claimant received Group 2 Spend-Down (G2S) effective September 1, 2013, due to Claimant receiving RSDI payments. See SOLQ report Exhibit 1.

G2S is an SSI-related Group 2 MA category. BEM 166 (October 2010), p. 1. BEM 166 outlines the proper procedures for determining G2S eligibility. Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105 (October 2010), p. 1; BEM 166, pp. 1-2; BEM 544 (August 2008), p. 1; RFT 240 (July 2007), p. 1. The monthly PIL for an MA group of one (Claimant) living in Oakland County is \$408 per month. RFT 200 (July 2007), p. 1; RFT 240, p. 1. Moreover, an individual whose monthly income is in excess of \$408 may become eligible for assistance under the deductible program, with the deductible being equal to the amount that the group's monthly income exceeds the PIL. BEM 545 (July 2011), p. 1.

In this case, the Department counts the gross benefit amount of RSDI as unearned income. BEM 503, p. 21. It was not disputed that Claimant's gross RSDI unearned income was \$1,135 per month. See SOLQ report Exhibit 1. The Department properly subtracted the \$20 disregard to establish Claimant's total net income for MA purposes at \$1,115. BEM 541 (January 2011), p. 3. Then, Claimant's net income of \$1,115 for MA purposes exceeds the monthly protected income level of \$408 by \$707. Thus, the Department determined that Claimant would receive MA coverage once he incurs medical expenses in excess of \$707 during the month.

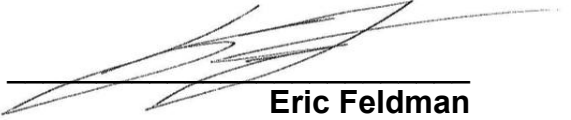
Based on the foregoing information, the Department properly calculated Claimant's September 1, 2013, ongoing MA deductible as indicated in the analysis above.

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 (i) properly closed Claimant's MA – SSI coverage effective September 1, 2013, ongoing, in accordance with Department policy, and (ii) properly calculated Claimant's MA

deductible for the effective benefit period of September 1, 2013, ongoing, in accordance with Department policy.

Accordingly, the Department's MA decision is AFFIRMED.



Eric Feldman
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: November 6, 2013

Date Mailed: November 6, 2013

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-07322

EJF/cl

cc:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]