

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2013-59786
Issue No.: 2017
Case No.: [REDACTED]
Hearing Date: August 22, 2013
County: Wayne DHS (57)

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 August 22, 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 denied Claimant's eligibility for Medical Savings Program (MSP) benefits due to excess income.

FINDINGS OF FACT

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

1. On 7/9/13, Claimant applied for MSP benefits.
2. Claimant received \$1341.90/month in Retirement, Survivors, Disability Insurance (RSDI).
3. Claimant was responsible for a \$104.90/month Medicare premium.
4. On 7/9/13, DHS denied Claimant's application for MSP benefits.

5. On 7/17/13, Claimant requested a hearing to dispute the MSP denial and unspecified actions affecting Food Assistance Program (FAP) and Medicaid eligibility.
6. Claimant testified that DHS changed the unspecified actions affecting FAP and Medicaid eligibility and that he only wants to dispute MSP eligibility.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). DHS administers the MA program pursuant to MCL 400.10, et seq., and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT). MSP is part of the MA program.

MSP programs offer three different degrees of assistance with payment toward a client's Medicare premium and deductibles. Qualified Medicare Beneficiaries (QMB) coverage pays for a client's Part A Medicare premiums (if applicable), Part B Medicare premiums, Medicare deductibles and Medicare coinsurances. BEM 165 (7/2010), pp. 1-2. Specified Low Income Beneficiaries (SLMB) coverage pays for a client's Medicare Part B premium. *Id.*, p. 2. Additional Low Income Beneficiaries (ALMB) coverage pays for a client's Medicare Part B premium if DHS funding is available. *Id.* Income is the major determiner of category. *Id.*, p. 1.

Claimant requested a hearing to DHS actions affecting MA and FAP benefit eligibility. Claimant conceded that the only program still in dispute was MSP eligibility. It was not disputed that DHS denied MSP to Claimant based on excess income.

DHS is to determine countable income according to the SSI-related MA policies in BEM 500 and 530. *Id.*, p. 3. DHS is to apply the deductions in BEM 540 (for children) and 541 (for adults) to countable income to determine net income. *Id.*

It was not disputed that Claimant received \$1341.90/month in gross RSDI income. It was not disputed that Claimant's RSDI was reduced for child support expenses. Generally, DHS is to count the gross RSDI to determine eligibility for all programs BEM 503 (5/2010), p. 20. Payment of child support is not an exception to factoring the gross amount of RSDI. Accordingly, \$1341.90 is the proper amount of RSDI to determine MSP eligibility.


DHS permits a \$20 disregard making Claimant's countable net income \$1321.90. The only other factors within an MSP determination are: earned income deductions, guardianship or conservator expenses and unearned allocation to non-SSI children. It was not disputed that these factors did not apply to Claimant's MSP eligibility.

Income eligibility for MSP exists when net income is within the limits in RFT 242 or 249. *Id.* The MSP income limit for Claimant's group size is \$1293. RFT 242 (4/2013), p. 1. Claimant's countable net income exceeded the income limits for MSP eligibility. Accordingly, it is found that DHS properly denied Claimant's MSP application due to excess income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS resolved Claimant's dispute concerning Medicaid and FAP eligibility. Claimant's hearing request is PARTIALLY DISMISSED.

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly denied Claimant's MSP eligibility due to excess income. The actions taken by DHS are AFFIRMED.


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

Date Signed: 8/29/2013

Date Mailed: 8/29/2013

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

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.

203-59786/CG

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

CG/hw

cc:

