

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

**IN THE MATTER OF:**

██████████  
██████████  
██████████

Reg. No.: 14-010000  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: October 27, 2014  
County: Wayne-District 17

**ADMINISTRATIVE LAW JUDGE: Alice C. Elkin**

**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 27, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and ██████████, Claimant's daughter and authorized hearing representative (AHR). Participants on behalf of the Department of Human Services (Department) included ██████████, Assistance Payment Supervisor.

**ISSUE**

Did the Department properly calculate Claimant's monthly Medical Assistance (MA) 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 is married and living in Wayne County.
2. Claimant is an ongoing recipient of Group 2 SSI-related (G2S) MA, with MA coverage subject to a monthly \$924 deductible.
3. On August 13, 2014, Claimant filed a request for hearing disputing the calculation of his deductible.

**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 Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

At the hearing, the AHR presented (i) October 28, 2014 letters from the Social Security Administration (SSA) to Claimant and his wife showing changes in their RSDI income effective October 1, 2014 resulting from the State no longer paying their Part B Medicare premiums and (ii) copies of medical expense bills incurred by Claimant. The AHR was advised to submit these documents to the Department for processing to determine any changes to the deductible due to RSDI changes and to apply the medical expenses to Claimant's deductible. The AHR was further advised that Claimant could request another hearing if he was not satisfied with the Department's actions concerning his ongoing deductible or the application of his medical expenses to his deductible and his MA coverage. However, because these documents were not provided to the Department at the time Claimant filed his hearing request on August 13, 2014, and the AHR acknowledged that no medical expenses had been provided to the Department prior to the hearing, the issue at the hearing was limited to the calculation of Claimant's MA deductible. The evidence showed that, at least from August 1, 2014 ongoing, Claimant's MA coverage was subject to a monthly \$924 deductible.

A client's MA eligibility is based, in part, on his fiscal group's income. BEM 105 (October 2014), p. 1. In Claimant's case, his fiscal group has two members: Claimant and his wife. BEM 211 (January 1, 2014), p. 4. In determining a MA group's net income for MA purposes, the Department begins by considering the gross monthly RSDI benefits and pension received by the MA fiscal group members. BEM 503 (July 2014), pp. 27, 28; BEM 530 (January 2014), p. 2. The evidence established that, at the time Claimant requested his hearing, he and his wife received the following monthly income: \$983 for Claimant's gross monthly Retirement Survivors and Disability Income (RSDI) benefits; \$491.90 for Claimant's wife's gross monthly RSDI benefits, and \$180.99 for Claimant's gross monthly pension. The sum of this income is \$1654. This unearned income is reduced by a \$20 disregard. BEM 541 (January 2014), p. 3. Claimant's gross RSDI income reduced by \$20 results in net income for MA purposes of \$1634.

Based on this net income, Claimant was not eligible for full-MA coverage under the AD-Care program. BEM 163 (July 2013), p. 2; RFT 242 (April 2014), p. 1. Clients who are

ineligible for full-coverage MA coverage because of excess income are eligible for Group 2 MA coverage, which provides for MA coverage with a deductible. The deductible is in the amount that the client's net income (less any allowable needs deductions) exceeds the applicable Group 2 MA protected income levels (PIL); the PIL is based on the client's shelter area and fiscal group size. BEM 105 (January 2014), p. 1; BEM 166 (July 2013), p. 2; BEM 544 (July 2013), p. 1; RFT 240 (December 2013), p. 1.

The monthly PIL for a client in Claimant's position, with an MA fiscal group size of two living in Wayne County, is \$500 per month. RFT 200 (December 2013), pp. 1-2; RFT 240, p 1. Thus, if Claimant's monthly net income (less allowable needs deductions) is in excess of \$500, he may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that his monthly net income, less allowable deductions, exceeds \$500. BEM 545 (July 2013), p. 2.

In this case, the Department presented an SSI-related MA budget showing the calculation of Claimant's deductible. As discussed above, Claimant's net income for MA purposes is \$1,634. Net income is reduced by health insurance premiums paid by the MA group and remedial service allowances for individuals in adult foster care or home for the aged. BEM 544 (July 2013), pp. 1-3.

In this case, Claimant's SSI-related MA budget shows a \$209.80 deduction for insurance premiums. Although the October 28, 2014 letters from SSA to Claimant and his wife indicate that, prior to October 1, 2014, the State paid Claimant's and his wife's Part B Medicare premiums, the Department testified that Claimant and his wife were responsible for \$104.90 each for their Part B Medicare premiums. Based on the Department's testimony, the SSI-related MA budgets properly showed a need deduction for \$209.80, the sum of the two Part B premiums. When Claimant's \$1,634 net income is reduced by the \$209.80 premiums, his countable income is \$1,424. Because Claimant's countable income of \$1,424 exceeded the applicable \$500 PIL by \$924, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for MA coverage subject to a monthly \$924 deductible.

### **DECISION AND ORDER**

Accordingly, the Department's decision is AFFIRMED.



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

Date Signed: **10/31/2014**

Date Mailed: **10/31/2014**

ACE / tlf

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

CC:

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