

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

**IN THE MATTER OF:**

████████████████████  
██████████  
████████████████████

Reg. No.: 14-011729  
Issue No.: 2007  
Case No.: ██████████  
Hearing Date: November 20, 2014  
County: Wayne-District 35

**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 November 20, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and ██████████, Claimant's sister-in-law. Participants on behalf of the Department of Human Services (Department) included ██████████, Hearings Facilitator.

**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 █ years old and unmarried; she lives in Wayne County.
2. In July 2014, Claimant applied for MA.
3. On August 18, 2014, the Department sent Claimant a Health Care Coverage Determination Notice notifying her that she was approved for MA subject to a monthly \$296 deductible.
4. On August 28, 2014, Claimant filed a request for hearing disputing the Department's actions.

## 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.

Claimant requested a hearing disputing the Department's finding that she was eligible for MA subject to a monthly \$296 deductible. Based on her age, Claimant was eligible for MA under an SSI-related category. BEM 105 (January 2014), p. 1.

A client's eligibility for SSI-related MA is based, in part, on her fiscal group's income. BEM 105 (October 2014), p. 1. In Claimant's case, Claimant is the sole member of her fiscal group. BEM 211 (January 2014), p. 4. In determining her net income for MA purposes, the Department begins by considering the gross monthly RSDI benefits and pension she receives. BEM 503 (July 2014), pp. 27, 28; BEM 530 (January 2014), p. 2. The evidence established that, at the time Claimant requested her hearing, she received gross monthly Retirement Survivors and Disability Income (RSDI) benefits of \$901.90 and gross monthly pension income of \$186.98. The sum of this income, rounded down, is \$1088. BEM 556 (July 2013), p. 3. This unearned income is reduced by a \$20 disregard. BEM 541 (January 2014), p. 3. Claimant's gross income reduced by \$20 results in net income, for MA purposes, of \$1068.

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. BEM 105, p. 1. 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 one living in Wayne County, is \$375 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 \$375, she 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 \$375. BEM 545 (July 2013), p. 2.

In this case, the Department presented an SSI-related MA budget showing the calculation of Claimant's deductible which was reviewed with Claimant at the hearing. As discussed above, Claimant's net income for MA purposes is \$1068. 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 \$396.15 deduction for insurance premiums, which the Department testified was the sum of the \$104.90 Medicare Part B premium withheld by the Social Security Administration from Claimant's monthly RSDI payments and the \$291.15 in monthly health insurance premiums Claimant paid. Although Claimant disputed the amount of the health insurance premium used by the Department, during the hearing, the Department established that the \$291.15 figure it used was the amount Claimant reported and verified in connection with her July 2014 MA application. Therefore, the Department properly relied on \$291.15 as Claimant's expense for her health insurance premium. The sum of the Part B premium and the health insurance premium is \$396.05 as shown on the budget as a needs deduction. Because Claimant is not in adult foster care or a home for the aged, she is not eligible for any additional needs deductions.

When Claimant's \$1068 net income is reduced by the \$396.05 premiums, her countable income, rounded down, is \$671. Because Claimant's countable income of \$671 exceeded the applicable \$375 PIL by \$296, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for MA coverage subject to a monthly \$296 deductible.

At the hearing, Claimant reported increased insurance premiums and she was advised to provide documentation to the Department to process. The increased premiums may result in a decreased deductible in the future; Claimant may request a hearing concerning the effect of the increased premiums on her deductible if she disputes the Department's actions.

### **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: **11/25/2014**

Date Mailed: **11/25/2014**

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 48909-8139

CC: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]