

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 14-010334
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: October 23, 2014
County: WAYNE-31 (GRANDMONT)

ADMINISTRATIVE LAW JUDGE: Lynn Ferris

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 23, 2014, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant, and [REDACTED], the Claimant's Authorized Hearing Representative and Mother. A witness, [REDACTED] of [REDACTED], also appeared. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Hearing Facilitator, and [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly determine that the Claimant was not eligible for Medicaid as a Disabled Adult Child?

Did the Department properly determine the Medical Assistance Spend Down amount?

FINDINGS OF FACT

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

1. The Claimant applied for Medical Assistance on April 16, 2014. At the time of the application, the Claimant was receiving RSDI benefits from the Social Security Administration in the amount of \$1 [REDACTED]. Exhibit 5
2. The Department determined that the Claimant was eligible for medical assistance subject to a spend down of [REDACTED]. The Department conceded that the spend down as calculated was incorrect and should be [REDACTED]. Exhibits 5 and 6.

3. The Department could not produce a Notice of Case Action indicating the Claimant was eligible for Medical Assistance subject to a spend down.
4. The Claimant never received SSI from the Social Security Administration at any time because he never applied.
5. The Department referred the Claimant's case to the Department's Disabled Adult Child unit (DAC) on August 25, 2014, for a determination as to whether the Claimant was eligible for Medical Assistance as a disabled adult child. Exhibit 4
6. On October 23, 2014, the Department DAC unit determined the Claimant was not eligible for medical assistance as a disabled adult child, as he never received any SSI. Exhibit 7
7. The Claimant's Authorized Hearing Representative requested a hearing on August 29, 2014 protesting the imposition of a 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).
400.3001 to .3015.

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.

Additionally, the Claimant is an adult and receives RSDI from the Social Security Administration (SSA) due to his being disabled. The Claimant has been determined disabled since 1980. The Claimant's Authorized Hearing Representative confirmed at the hearing that the Claimant never received SSI from the Social Security Administration as a child. She further testified that no application for SSI was made on behalf of the Claimant because she was unaware of his potential eligibility. At a pre-hearing conference, the Department determined that the Claimant should be reviewed by the Disabled Adult Child unit to determine if he would be eligible for Medicaid based his status as a Disabled Adult Child. The DAC unit determined that the Claimant was not eligible for Medicaid as a Disabled Adult Child due to the fact that he never received SSI. Exhibit 7. Thereafter, the Department determined the Claimant was eligible for Medical Assistance subject to a deductible due to his RSDI income of \$1355 he

receives monthly. The Department determined that the Claimant was subject to a deductible of [REDACTED] per month. Exhibit 6.

The Department policy which determines Disabled Adult Child eligibility is found in BEM 158 (10/1/14). This policy specifically determines whether a disabled applicant is eligible for Medical Assistance under this program. If eligible, the recipient receives Medicaid and would not be subject to a spend down. There are non-financial eligibility factors which include:

1. The person must be age 18 or older.
2. The person must have:
 - Received SSI; and
 - Ceased to be eligible for SSI on or after July 1, 1987, because the person became entitled to DAC RSDI benefits under section 202(d) of the Act or an increase in such benefits.

Note: DAC RSDI is also called Childhood Disability Benefits (CDB).

3. The person is currently receiving DAC RSDI benefits.

Note: When SSA employees say someone is a “DAC,” they mean he receives DAC RSDI.

In this case, the Department determined that the Claimant was not eligible for Medical Assistance under DAC, because based upon Social Security Administration Records, the Claimant never received SSI, which is a pre-requisite for eligibility. BEM 158 PP 1 and 2.

Medical Assistance (MA) Deductible

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA).

The Medicaid program is comprised of several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled.

For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical

expenses are used when determining eligibility for Group 2 categories. BEM 105 (10-1-14), p. 1

In this case, the Department verified the Claimant's gross monthly RSDI income of [REDACTED] for April 2014. This is the amount he receives from Social Security for RSDI. The total amount of unearned income of \$ [REDACTED] used to determine the deductible as determined by the Department is correct. When used in this Decision, MA stands for Medical Assistance. The Department testified that, although Claimant was not eligible for full-coverage MA, he was eligible for MA with a monthly [REDACTED] deductible. Clients are eligible for Group 2 MA coverage when their net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL). The protected income level is based on the client's shelter area and fiscal group size. BEM 105 (October 1, 2014), p 1; BEM 166 (July 1, 2013), pp 1-2; BEM 544 (July 1, 2013), p 1; RFT 240 (July 1, 2007), p 1. The monthly PIL for an MA group size of one living in Wayne County is [REDACTED] per month. RFT 200 (December 1, 2013), p 1; RFT 240, (December 1, 2013) p 1. Thus, if Claimant's net income is in excess of [REDACTED] he may become eligible for MA assistance under the deductible program. The deductible is equal to the amount that his monthly income exceeds \$375. BEM 545 (July 1, 2013), p 2.

In this case, the Department produced a SSI-Related MA budget which was reviewed at the hearing. This budget demonstrated how the deductible in Claimant's case was calculated. The Department conceded that the budget that was initially calculated was incorrect as the Medicaid Part B premium was [REDACTED] and the Department used \$96.50. When the correction was made deducting the \$ [REDACTED] to correct the calculation, for the Part B Premium, the deductible as calculated by the Department should be [REDACTED]. As discussed above, Claimant's net unearned income totaled [REDACTED] and after deducting a [REDACTED] general exclusion, the net unearned income is [REDACTED]. BEM 530 (January 1, 2014), p 2; BEM 541 (January 1, 2014), p 3.

The Department was requested to provide a Notice of Case Action during the hearing and could not generate the document. The Department is, however, required to issue Notices to recipients when changes occur to benefits, such as the deductible amount. The Department is required to provide this notice to the Claimant's AHR so that they are aware of the correct deductible amount.

Information is available to the Claimant's AHR regarding the reporting of medical expenses to be applied to the deductible, and although not explained at the hearing, the spend down amount is met by submission of medical bills incurred, and once medical expenses incurred reach or exceed the [REDACTED] deductible amount, the Claimant will be eligible for full Medicaid.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it determined that the Claimant was not DAC

eligible for Medicaid. The Department also acted in accordance with Department policy when it imposed the deductible with regard to the Claimant's Medical Assistance benefits.

DECISION AND ORDER

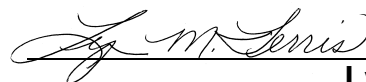
Accordingly, the Department's decision is

AFFIRMED with respect to the finding the Claimant is not DAC eligible for Medical

REVERSED with respect to the deductible amount determination of \$863.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department shall correct the claimant's deductible amount in accordance with this decision and shall issue a Notice of Case Action confirming eligibility and the deductible amount.
2. The Department shall provide written notice to the claimant's Authorized Hearing Representative regarding the claimant's eligibility for medical assistance and the correct deductible amount.



Lynn Ferris
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: **10/27/2014**

Date Mailed: **10/28/2014**

LMF / tm

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:

