

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

**IN THE MATTER OF:**

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

Reg. No.: 15-000341  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: February 12, 2015  
County: Macomb-District 20

**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, an in-person hearing was held on February 12, 2015, from Warren, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ██████████, Hearing Facilitator.

**ISSUE**

Did the Department properly determine that Claimant was eligible for Medical Assistance (MA) under the Group 2 SSI-related (G2S) program subject to a monthly \$931 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 was an ongoing recipient of Supplemental Security Income (SSI), and received MA as an SSI-recipient.
2. Claimant's SSI was terminated by the Social Security Administration (SSA), and she was approved for Retirement, Survivors and Disability Insurance (RSDI) benefits.
3. Claimant received \$1382 in monthly RSDI effective January 1, 2015.
4. Claimant lives in ██████████ County and is unmarried.

5. On December 10, 2014, the Department sent Claimant two Health Care Coverage Determination Notices, one advising her that effective January 1, 2015, she was not eligible for ongoing MA because she was not “under 21, pregnant, . . . caretaker of a minor child, . . . over 65 (aged), blind or disabled,” the other advising her that she was eligible for MA with a monthly \$931 deductible effective January 1, 2015 but not eligible for December 2014 because she was eligible on another case.
6. On January 2, 2015, 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 challenged the Department’s finding that she was eligible for MA subject to a \$931 monthly deductible. The Department explained that, after Claimant’s SSI was terminated, Claimant reapplied for MA and the Department determined that she was eligible for MA under the G2S program, with a monthly deductible of \$931. The Department testified that it also considered Claimant’s eligibility for MA under the Healthy Michigan Plan (HMP) but found her income-ineligible for that program.

A client’s eligibility for HMP is dependent on the client’s household size and income. Michigan Department of Community Health Medicaid Provider Manual (MPM), Healthy Michigan Plan, § 1.1. The evidence in this case established that Claimant lived alone and received, at the time of application in December 2014, \$1359 in gross monthly RSDI income. Based on this information, Claimant’s annual income was \$16,308. The annual income limit for HMP eligibility for a one-person household is 133% of the federal poverty level (FPL), or \$15,521. MPM, § 1.1, <http://aspe.hhs.gov/POVERTY/14Poverty.cfm>. Claimant’s gross annual income exceeds 133% of the FPL. Even when the 5% disregard to the limit is applied, raising the HMP annual income eligibility limit to 138% of the FPL, or \$16,105, Claimant’s annual income exceeded the income limit for HMP eligibility. See Michigan Department of Community Health, Modified Adjusted

Gross Income (MAGI) Related Eligibility Manual, § 7.2. Therefore, Claimant was ineligible for MA coverage under HMP.

Because Claimant receives RSDI based on a disability, she is also eligible for MA under SSI-related categories. Eligibility for SSI-related MA is also income-based. In determining a client's net income for SSI-related MA purposes, the Department considers the gross monthly RSDI benefits received by the client. BEM 503 (January 2014 and July 2014), p. 28; BEM 530 (January 2014), p. 2. This unearned income is reduced by a \$20 disregard. BEM 541 (January 2014), p. 3. Any cost of living increases to RSDI that are effective January 1 are not considered in calculating a client's MA benefits for January through March of the following year. BEM 503 (July 2014), p. 29. In this case, Claimant's RSDI income increased to \$1382 effective January 2015 based on a cost-of-living increase. Because the Department determined Claimant's eligibility for January 2015 ongoing, Claimant's gross RSDI income is reduced by the \$23 cost-of-living increase effective January 2015 as well as the \$20 disregard. As a result, Claimant's net income for MA purposes was \$1,339.

Based on her net income, Claimant was not eligible for full-MA coverage under the AD-Care program, which has a \$993 net income limit for a group size of one. BEM 163 (July 2013), p. 2; BEM 211 (January 2015), p. 5; RFT 242 (October 2014), p. 1. However, 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 provided in policy and is based on the client's shelter area and fiscal group size. BEM 105 (October 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 Macomb County, is \$408 per month. RFT 200 (December 2013), pp. 1-2; RFT 240, p 1. Thus, if Claimant's net income (less allowable needs deductions) is in excess of \$408, she may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly net income, less allowable deductions, exceeds \$408. 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 \$1,339. Claimant testified that she purchased health insurance after her December 2014 application was filed. Insurance premiums are an eligible needs deduction. See BEM 544, pp. 1-2. However, because Claimant did not have those expenses at the time of her application, the Department properly did not consider the premiums in calculating her MA deductible. Claimant was advised to notify the Department of her expense in order for it to be considered in future deductible calculations.

Based on the information available to the Department at the time of Claimant's application, the Department properly concluded that Claimant did not have any eligible need deductions. Because Claimant's net income of \$1,339 exceeded the applicable \$408 PIL by \$931, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for MA coverage subject to a monthly \$931 deductible.

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 concluded that Claimant was eligible for MA subject to a monthly \$931 deductible.

**DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.



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**Alice C. Elkin**  
Administrative Law Judge  
for Nick Lyon, Interim Director  
Department of Human Services

Date Signed: **2/19/2015**

Date Mailed: **2/19/2015**

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]