

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-004543
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: May 6, 2015
County: Wayne (76)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 May 6, 2015, from Detroit, Michigan. Participants included the above-named Claimant, [REDACTED], Claimant's spouse, testified on behalf of Claimant. Participants on behalf of the Department of Health and Human Services (DHHS) included [REDACTED] specialist, and [REDACTED], supervisor.

ISSUE

The issue is whether DHHS properly determined Claimant's spouse's Medical Assistance (MA) eligibility.

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's spouse was an ongoing Medicare recipient.
2. Claimant's spouse received \$1232.90/month in Retirement, Survivor, Disability Insurance (RSDI).
3. Claimant received \$205/month in RSDI.
4. Claimant and her spouse were members of a household that also included three minor children.
5. On [REDACTED], DHS redetermined Claimant's spouse MA eligibility and determined that Claimant's spouse was eligible for Medicaid, subject to a

\$317/month deductible, effective 3/2015 (see Exhibit 5), and \$338, effective April 2015 (see Exhibit 6)

6. On [REDACTED], Claimant requested a hearing to dispute the DHS determination of her spouse's MA eligibility.

CONCLUSIONS OF LAW

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. DHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. DHHS policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services Reference Tables Manual (RFT).

Claimant's spouse requested a hearing to dispute a redetermination of her husband's MA eligibility. DHHS redetermined that Claimant's spouse was eligible for Medicaid subject to a \$317/month deductible, effective March 2015, and a \$338 deductible, effective April 2015.

The Medicaid program is comprised of several sub-programs or categories. BEM 105 (October 2014), p. 1. 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. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, Plan First!, and Adult Medical Program is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

Clients may qualify under more than one MA category. BEM 105 (October 2014), p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility or the least amount of excess income. *Id.*

It was not disputed that Claimant's spouse was a caretaker to minor children and disabled. Thus, he was potentially eligible to receive Medicaid based on SSI-Related or MAGI categories. Consideration was also given to whether Claimant's spouse was eligible for Healthy Michigan plan benefits.

The Healthy Michigan Plan is a new health care program that will be administered by the Michigan Department of Community Health, Medical Services Administration. The program will be implemented as authorized under the Affordable Care Act of 2010 as codified under 1902(a)(10)(A)(i)(VIII) of the Social Security Act and in compliance with the Michigan Public Act 107 of 2013. HMP eligibility requirements are found in the

MAGI-Related Eligibility Manual (MAGI). MAGI Medicaid and Healthy Michigan Plan policy is available at www.michigan.gov/MDCH. BEM 100 (2/2014), p. 2.

Not all persons are eligible for HMP benefits. Persons with commercial HMO coverage, including Medicare HMO coverage, are not eligible for HMP benefits. MAGI May 28, 2014, p. 40.

It was not disputed that Claimant's spouse was a Medicare recipient. Accordingly, Claimant's spouse is not eligible for HMP.

As a disabled person, Claimant's spouse may qualify for MA benefits through Aged-Disabled Care (AD-Care) or Group 2 Spend-Down (G2S). AD-Care and G2S are both SSI-related categories. BEM 163 outlines the proper procedures for determining AD-Care eligibility. BEM 166 outlines the proper procedures for determining G2S eligibility.

It was not disputed that Claimant's spouse's gross monthly RSDI was \$1232.90/month. Claimant received \$205/month in RSDI. For purposes of AD-Care eligibility, DHS allows a \$20 income disregard. DHS also gives budget credits for employment income, guardianship/conservator expenses and cost of living adjustments (COLA) (for January through March only). Applying the \$20 disregard to the \$1101 income results in a countable income of \$1417.90

Income eligibility for AD-Care exists when countable income does not exceed the income limit for the program. BEM 163 (October 2010), p. 1. The net income limit for AD-Care for a two-person MA group is \$1331/month. RFT 242 (October 2014), p. 1. As Claimant's spouse's group's countable income exceeded the AD-Care income limit, it is found that DHS properly determined Claimant's spouse to be ineligible for AD-Care based on excess income.

Claimant's spouse may still receive MA benefits subject to a monthly deductible through the G2S program. Clients with a deductible may receive Medicaid if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. BEM 545 (October 2014), p. 11. The client must report medical expenses by the last day of the third month following the month in which the group wants MA coverage. *Id.*

The deductible is calculated by subtracting the Protected Income Level (PIL) from the MA net income. The protected income level (PIL) is a standard allowance for non-medical need items such as shelter, food and incidental expenses. The PIL for Claimant's shelter area and group size is \$500. RFT 240 (December 2013), p. 1.

The G2S budget factors insurance premiums, remedial services and ongoing medical expenses. A presented budget stated that Claimant paid \$104.90 for a Medicare

premium. Subtracting the PIL, Medicare premium expense, and \$20 disregard from the group's income results in a monthly deductible of \$793. DHHS calculated a more favorable deductible for Claimant through the G2C program.

As a caretaker to minor children, Claimant's spouse could receive Medicaid through G2C. The net income calculation starts with determining Claimant's spouse's pro-rated income. This is calculated by dividing Claimant's spouse's income (\$1232.90) by a pro-rated divisor. The pro-rated divisor is the sum of 2.9 and the number of dependents (three minor children). Claimant's pro-rated income is \$208. Claimant's income of \$205 is similarly divided by 5.9 to determine her prorated income (\$34).

Claimant's and her spouse's income are then each multiplied by 2.9 to determine each person's share of their own income (\$603 + \$132). Those amounts are added to Claimant's prorated share (\$208) for a running budget total of \$943.

Deductions are given for insurance premiums, remedial services and ongoing medical expenses. DHHS factored a Medicare premium cost of \$104.90; this is subtracted from \$943 to determine the net income (\$838.10). The income limit for G2C eligibility is \$500 (RFT 240 (December 2013), p. 1), same as G2S eligibility. The amount that Claimant's net income exceeds the income limit is the amount of Claimant's deductible. It is found that DHS properly determined Claimant to be eligible for Medicaid subject to a \$338/month deductible, effective April 2015.

DHHS also calculated Claimant's deductible to be \$317 for March 2015. The same analysis applies to the determination for March 2015 except that DHHS properly did not count Claimant's spouse's RSDI cost-of-living adjustment of \$21.

During the hearing, Claimant testified that her spouse had serious cardiac problems and that he was disabled. She also testified that a Medicaid deductible was a difficult financial burden given her household's limited income. Claimant's argument merits immense sympathy but it does not impact her husband's MA eligibility. It is found that DHHS properly determined Claimant's spouse's MA eligibility.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHHS properly determined Claimant's spouse's MA eligibility, for March 2015 and April 2015.

The actions taken by DHHS are **AFFIRMED**.



Christian Gardocki
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **5/11/2015**

Date Mailed: **5/11/2015**

CG / hw

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 copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from 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:

