

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-005704
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: June 03, 2015
County: Grand Traverse

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on June 3, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] the Claimant. Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED], Family Independence Manager, and [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly determine Claimant's eligibility for Medical Assistance (MA)?

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 applied for MA on January 11, 2015.
2. Claimant was approved for Medicaid (MA-G2S) benefits with a monthly spend down, or deductible, for January 2015 forward.
3. On March 17, 2015, Claimant applied for retroactive MA coverage for the months of October through December 2014.
4. The Department subsequently determined Claimant's eligibility for the retroactive MA months requested, as well as re-determined Claimant's ongoing MA eligibility.

5. On March 30, 2015, a Health Care Coverage Determination Notice was issued to Claimant stating he was eligible for MA with a monthly deductible of \$ [REDACTED] for October and November 2014, \$ [REDACTED] for December 2014, and \$ [REDACTED] starting April 2015 and ongoing.
6. On April 7, 2015, Claimant filed a hearing request contesting the Department's determination.

CONCLUSIONS OF LAW

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

For Social Security Administration (SSA) issued Retirement Survivors and Disability Insurance (RSDI), the Department counts the gross benefit amount as unearned income. BEM 503, July 1, 2014, p. 28.

The protected income level (PIL) is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA PILs based on shelter area and fiscal group size. RFT 200 lists the counties in each shelter area. BEM 544, July 1, 2013, p. 1. For Claimant's shelter area and group size, the applicable PIL is \$ [REDACTED] RFT 240, December 1, 2013, p. 1.

Income eligibility exists for all or part of the month tested when the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545, January 1, 2015, p. 1.

The applicable monthly income limit for MA based on age or disability, for a group size of one, was \$ [REDACTED] effective April 1, 2014; and \$ [REDACTED] effective April 1, 2015. RFT 242, May 1, 2015, p. 1.

Health insurance premiums paid by the MA group are included as a need item in the MA budget. BEM 544, July 1, 2013, p. 1.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. BEM 545, p. 10-11.

In this case, Claimant contested having a deductible for Medicaid eligibility and the amount of the deductible. Claimant indicated he has past due bills he pays on each month, as well as living expenses such as rent and utilities. Claimant stated he is seeking assistance with obtaining his medications. However, Claimant testified that the past due bills he makes payment on are not medical bills.

The amount of Claimant's income was verified by an SOLQ report. Claimant's RSDI income was \$ [REDACTED] effective March 1, 2014, and increased to \$ [REDACTED] effective December 1, 2014. This ALJ understands Claimant's difficulties with limited income and ongoing living expenses. The Department's policy takes these expenses into account by including a monthly PIL in the MA budget. There is no authority for this ALJ to change or make any exceptions to the Department's policy, such as increasing the PIL or exempting an individual from having an MA deductible.

Based on Claimant's income change, the applicable PIL and the increase in the applicable MA income limit, it appears that the Department properly determined that Claimant would have monthly deductibles for MA eligibility. However, the included MA budgets were not sufficient to establish that the MA deductible amounts were properly calculated. No budgets were included for the deductible amounts determined for the requested retroactive MA months, \$ [REDACTED] and \$ [REDACTED] for the months of October through December 2014. Two budgets were submitted for the May 1, 2015, benefit period. These May 1, 2015, budgets show an insurance premium amount greater than the amount documented on the SOLQ. The May 1, 2015, budget that resulted in a deductible amount of \$ [REDACTED] indicates an income amount of \$ [REDACTED]. There is no corresponding RSDI benefit issuance for \$ [REDACTED] on the SOLQ report. The May 1, 2015, budget that utilized an income amount of \$ [REDACTED] was based on the verified RSDI benefit amount of \$ [REDACTED] and resulted in a deductible amount of \$ [REDACTED]. There was no evidence that Claimant was given notice of a monthly MA deductible in the amount of \$ [REDACTED].

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Claimant's eligibility for MA.

DECISION AND ORDER

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

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. Re-determine Claimant's eligibility for MA retroactive to October 2014 in accordance with Department policy.
2. Issue written notice of the determination in accordance with Department policy.
3. Supplement for lost benefits (if any) that Claimant was entitled to receive, if otherwise eligible and qualified in accordance with Department policy.



Colleen Lack
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **6/9/2015**

Date Mailed: **6/9/2015**

CL / jaf

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:

