

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-007207
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: June 11, 2015
County: Wayne (15)

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 June 11, 2015, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Michigan Department of Health and Human Services (MDHHS) included [REDACTED], specialist.

ISSUE

The issue is whether MDHHS properly determined Claimant's Medical Assistance (MA) eligibility as Medicaid subject to a 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 Medicaid recipient.
2. In 2015, Claimant received \$1,115/month from Retirement, Survivors, Disability Insurance (RSDI).
3. On an unspecified date, MDHHS determined that Claimant was eligible to receive Medicaid subject to a \$596 monthly deductible, effective January 2015.
4. On [REDACTED], Claimant requested a hearing to dispute her MA eligibility from January 2015.

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. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS 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 requested a hearing to dispute a MA determination that she was eligible for Medicaid subject to a monthly deductible of \$596. Claimant contended that she should receive Medicaid without having a monthly deductible. Claimant's only known support for her contention was that she was previously eligible for Medicaid.

A previous determination of Medicaid does not affect ongoing eligibility. A previous determination may provide insight on types of medical categories that a client may be eligible to receive. During the hearing, MDHHS discovered that Claimant was previously eligible for the Healthy Michigan Plan (HMP).

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 was a Medicare recipient. Accordingly, Claimant is not eligible for HMP.

It was not disputed that Claimant was disabled. As a disabled individual, Claimant is potentially eligible to receive Medicaid through AD-Care. BEM 163 outlines the proper procedures for determining AD-Care eligibility.

It was not disputed that Claimant received \$1155 in gross monthly RSDI. For purposes of AD-Care eligibility, MDDHS allows a \$20 income disregard. MDDHS also gives budget credits for employment income, guardianship/conservator expenses and cost of living adjustments (COLA) (for January through March only). A presented budget (Exhibit 1) stated that Claimant's RSDI increased \$19 due to COLA. Applying the \$20 disregard and COLA increase to the \$1115 income results in a countable income of \$1076.

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 one-person MA group as of January 2015 is \$993/month; the income limit increased to \$1000.83 as of April 2015. RFT 242 (April 2015), p. 1. As Claimant's countable income exceeded the AD-Care income limit, it is found that DHS properly determined Claimant to be ineligible for AD-Care due to excess income.

Claimant 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 \$375. 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. Claimant's testimony conceded that MDHHS paid her Medicare premium. For purposes of this decision, it will be found that Claimant was responsible for paying her Medicare premium. MDHHS also excludes a client's cost-of-living adjustment (COLA) for the first three months of the year. Subtracting the PIL, Medicare premium expense, \$20 disregard, and Claimant's \$19 COLA from the group's income results in a monthly deductible of \$596, the same amount calculated by MDHHS (see Exhibit 1).

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Claimant's MA eligibility as Medicaid subject to a \$596/month deductible, effective January 2015.

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



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

Date Signed: **6/18/2015**

Date Mailed: **6/18/2015**

CG / cl

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:

