

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

IN THE MATTER OF:

██████████
██████████
██████████

Reg. No.: 15-012564
Issue No.: 2001
Case No.: ██████████
Hearing Date: September 17, 2015
County: Wayne (41)

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 September 17, 2015, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Michigan Department of Health and Human Services (MDHHS) included ██████████, hearing liaison.

ISSUE

The issue is whether MDHHS properly redetermined Claimant'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 was an ongoing MA benefit recipient whose benefits were scheduled for redetermination beginning July 2015.
2. Claimant received the following monthly income: ██████████ from a pension, ██████████ in RSDI, and ██████████ in gross employment income.
3. On an unspecified date, MDHHS determined that Claimant was eligible for Medicaid subject to a ██████████/month deductible, effective July 2015.
4. On July 13, 2015, Claimant requested a hearing to dispute her 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. 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 Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Claimant requested a hearing to dispute a redetermination of MA benefits, effective July 2015. It was not disputed that MDHHS redetermined that Claimant was eligible for Medicaid subject to a [REDACTED]/month deductible.

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.

MDHHS presented a letter from SSA dated July 9, 2015 (Exhibit 2), verifying that Claimant's gross RSDI was [REDACTED]. MDHHS presented a pension benefit letter dated July 7, 2015, verifying that Claimant also received [REDACTED]. Claimant conceded her total unearned monthly income was [REDACTED]/month.

For purposes of AD-Care eligibility, MDDHS allows a [REDACTED] unearned income disregard. Claimant's running income total is found to be \$[REDACTED].

Claimant also had employment income. MDHHS presented Claimant's check stubs from June 12, 2015, and June 26, 2015 (Exhibits 3-4). The check stubs listed gross employment payments of [REDACTED] and [REDACTED], respectively. Adding the checks together results in a total monthly wage of [REDACTED] (dropping cents), the same amount calculated by MDHHS (see Exhibit 5). Claimant's testimony alleged that she received less income though no evidence was presented to rebut the calculation of earned income. It is found that Claimant's earned income was [REDACTED]/month.

MDHHS gives a [REDACTED] + ½ employment income disregard. Subtracting [REDACTED] from Claimant's income and dividing the difference by 2 results in [REDACTED] in countable employment income. Adding the [REDACTED] to Claimant's unearned income results in a total net countable income of [REDACTED].

MDDHS also gives budget credits for guardianship/conservator expenses and cost of living adjustments (COLA) (for January through March, only). Neither expense was applicable. Claimant's countable income is found to be [REDACTED].

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 is [REDACTED]. RFT 242 (April 2015), p. 1. As Claimant's countable income exceeded the AD-Care income limit, it is found that MDHHS 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. 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. BEM 545 (January 2015), p. 10). Each calendar month is a separate deductible period. *Id.* The fiscal group's monthly excess income is called the deductible amount. *Id.*, p. 11. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. *Id.*, 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.*

G2S eligibility authorizes the same deductions applied in the AD-Care analysis. The deductible is calculated by subtracting the Protected Income Level (PIL) from Claimant's 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 [REDACTED] RFT 240 (December 2013), p. 1.

The G2S budget also factors insurance premiums, remedial services and ongoing medical expenses. A presented budget stated that Claimant paid [REDACTED] for a Medicare premium; Claimant's testimony conceded the amount as correct. Claimant's testimony also conceded that she had no other applicable expenses.

Subtracting the PIL and Medicare premium expense from Claimant's net income results in a deductible of [REDACTED] the same amount calculated by MDHHS (see Exhibit 5). It is found that MDHHS properly redetermined Claimant's MA eligibility, effective July 2015.

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 [REDACTED]/month deductible, effective July 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: **9/18/2015**

Date Mailed: **9/18/2015**
CG/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 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:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]