

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

IN THE MATTER OF:

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

Reg. No.: 15-013411
Issue No.: 2001
Case No.: ██████████
Hearing Date: September 23, 2015
County: Wayne-District 17

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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on September 23, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Family Independence Manager, and ██████████, Eligibility Specialist. Department translator ██████████ translated the proceedings (Arabic).

ISSUE

Did the Department properly determine Claimant was eligible for Medical Assistance (MA) benefits subject to a \$420 monthly 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 is an ongoing recipient of MA benefits.
2. On April 21, 2015, the Department sent Claimant a Health Care Coverage Determination Notice notifying him that he was eligible for MA subject to a monthly \$315 deductible effective May 1, 2015.
3. Effective July 1, 2015, the Department increased Claimant's MA deductible to \$420.
4. On July 23, 2014, Claimant filed a request for hearing disputing the Department's actions.

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.

Claimant requested a hearing disputing the Department's finding that his MA eligibility was subject to a monthly \$420 deductible. Based on his age, Claimant was eligible for MA under an SSI-related category. BEM 105 (October 2014), p. 1.

The type of SSI-related MA program a client is eligible for is based, in part, on the client's fiscal group's income. BEM 105, p. 1. In Claimant's case, Claimant is the sole member of his fiscal group. BEM 211 (January 2015), p. 5. In determining his net income for MA purposes, the Department begins by considering the gross monthly RSDI benefits and pension he receives. BEM 503 (July 2015), pp. 27, 28; BEM 530 (January 2014), p. 2. Claimant confirmed that he received gross monthly Retirement Survivors and Disability Income (RSDI) benefits of \$926 and gross monthly pension income of \$197.16. The sum of this income, rounded down, is \$1123. BEM 556 (July 2013), p. 3. This unearned income is reduced by a \$20 disregard. BEM 541 (January 2015), p. 3. Claimant's gross income reduced by \$20 results in net income for MA purposes of \$1103.

Based on this net income, Claimant was not eligible for full-MA coverage under the AD-Care program. BEM 163 (July 2013), p. 2; RFT 242 (May 2015), p. 1. 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. BEM 105, p. 1. 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 based on the client's shelter area and fiscal group size. BEM 105, 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 Wayne County, is \$375. RFT 200 (December 2013), pp. 1-2; RFT 240, p. 1. Thus, if Claimant's monthly net income (less allowable needs deductions) is in excess of \$375, he may become eligible for MA assistance under the deductible program, with

the deductible equal to the amount that his monthly net income, less allowable deductions, exceeds \$375. BEM 545 (January 2015), p. 2.

In this case, the Department presented an SSI-related MA budget showing the calculation of Claimant's deductible which was reviewed with Claimant at the hearing. As discussed above, Claimant's net income for MA purposes is \$1103. Net income is reduced by health insurance premiums paid by the MA group and remedial service allowances for individuals in adult foster care or home for the aged. BEM 544 (July 2013), pp. 1-3. In this case, the State paid Claimant's Part B Medicare premium, and the Department testified that Claimant had not verified payment of any other health insurance premiums. Because there was no evidence that Claimant resided in adult foster care or home for the aged, there were no allowable expenses for remedial services. The Department testified that Claimant had verified ongoing medical expenses totaling \$307.60; and this amount was deducted from his net income to determine countable income of \$795.40.

Because Claimant's countable income of \$795 exceeded the applicable \$375 PIL by \$420, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for MA coverage subject to a monthly \$420 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 calculated Claimant's MA deductible.

DECISION AND ORDER

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



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

Date Signed: **10/01/2015**

Date Mailed: **10/01/2015**

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 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]