

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 15-003835  
Issue No.: 2001  
Case No.: [REDACTED]  
Hearing Date: May 07, 2015  
County: Kent (1) Franklin

**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 May 7, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED], Family Independence Manager.

**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 is an ongoing MA recipient.
2. The Department failed to implement a February 3, 2014, Hearing Decision affirming the Department's determination to change Claimant's MA from Freedom to Work Medicaid (MA-FTW) to having a monthly deductible of \$ [REDACTED] for Medicaid eligibility effective January 1, 2014, based on Claimant's income.
3. In December 2014, updated information regarding income and assets was provided for a MA Redetermination.
4. Claimant's Retirement, Survivors, and Disability Insurance (RSDI) income had increased by \$ [REDACTED].

5. In February 2015, the Department determined that based on Claimant's income, he would have a monthly deductible of \$ [REDACTED] for Medicaid eligibility.
6. On February 26, 2015, a Health Care Coverage Determination Notice was issued to Claimant stating he was eligible for MA with a deductible of \$ [REDACTED] effective April 1, 2015.
7. On March 6, 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 \$391.00. 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.

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. Claimant indicated he had been in a Medicaid Health Plan, Priority Health. Claimant noted that the only change was a \$ [REDACTED] increase in his RSDI income. Claimant explained he has limited money to live on and this kind of a deductible means he has to give up everything.

The Department acknowledged that they previously failed to implement a February 3, 2014, Hearing Decision affirming the Department's determination to change Claimant's MA from Freedom to Work Medicaid (MA-FTW) to having a monthly deductible of \$ [REDACTED] for Medicaid eligibility effective January 1, 2014, based on Claimant's income. Accordingly, the current change in MA eligibility to Claimant having a monthly deductible was not solely due the recent \$ [REDACTED] increase in his RSDI income.

Regarding, the current MA determination, the amount of Claimant's income was not contested. 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 and the applicable PIL, the Department properly determined that Claimant would have a monthly deductible of \$ [REDACTED] for Medicaid eligibility.

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 determine Claimant's eligibility for MA.

#### **DECISION AND ORDER**

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



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

Date Signed: **5/26/2015**

Date Mailed: **5/26/2015**

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:

