

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

IN THE MATTER OF:

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Reg. No.: 15-007889
Issue No.: 2001
Case No.: ██████████
Hearing Date: June 22, 2015
County: Wayne-District 15 (Greydale)

ADMINISTRATIVE LAW JUDGE: Zainab Baydoun

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 22, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Eligibility Specialist.

ISSUES

Did the Department properly process Claimant's Medical Assistance (MA) benefits and determine that she was eligible for MA with a monthly deductible?

Did the Department properly close Claimant's Medicare Savings Program (MSP) case on the basis that her income exceeded the limit for MSP benefits?

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 recipient of MA and MSP benefits.
2. Claimant was previously receiving MA benefits under the Ad-Care MA program. (Exhibit B)
3. On February 27, 2015, the Department sent Claimant a Health Care Coverage Determination Notice informing her that effective April 1, 2015, she was now eligible for MA with a monthly deductible of \$607. (Exhibit A)

4. The February 27, 2015, Health Care Coverage Determination Notice informs Claimant that effective April 1, 2015, she was eligible for MSP benefits. (Exhibit A)
5. Claimant's MSP benefits under the QMB program were terminated effective April 1, 2015. (Exhibit B, p. 2)
6. On March 9, 2015, Claimant requested a 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 actions with respect to her MA and MSP benefits, specifically the February 27, 2015, Health Care Coverage Determination Notice. (Exhibit A). Although the Notice informs Claimant that she is eligible for MSP benefits for April 1, 2015, ongoing, the evidence presented established that Claimant's MSP benefits were terminated effective April 1, 2015. (Exhibit B). At the hearing, Claimant indicated that she was disputing the transfer of her MA coverage from Ad-Care to G2S with a monthly deductible and the closure of her MSP case based on excess income.

Claimant, who receives RSDI, is eligible for SSI-related MA, which is MA for individuals who are blind, disabled or over age 65. BEM 105 (October 2014), p. 1. Individuals are eligible for Group 1 coverage, with no deductible, if their income falls below the income limit, and eligible for Group 2 coverage, with a deductible that must be satisfied before MA is activated, when their income exceeds the income limit. BEM 105, p. 1.

The Department's evidence shows that it approved Claimant for Group 2 SSI-related MA coverage. However, Ad-Care coverage is a SSI-related Group 1 MA category which must be considered **before** determining Group 2 MA eligibility. BEM 163 (July 2013), p. 1. Eligibility for Ad-Care is based on the client meeting nonfinancial and

financial eligibility criteria. BEM 163, pp. 1-2. The eligibility requirements for Group 2 MA and Group 1 MA Ad-Care are the same, other than income. BEM 166 (July 2013), pp. 1-2.

At the hearing, the Department testified that because Claimant's income increased effective January 1, 2015, her eligibility for MA and MSP benefits was reviewed. The Department stated that based on Claimant's increased income, she was no longer income eligible for the Ad-Care MA or the MSP. Accordingly, Claimant's income-eligibility for Ad-Care is reviewed.

Income eligibility for the Ad-Care is dependent on MA fiscal group size and income. Claimant has a MA fiscal group of one. BEM 211 (January 2015), p. 5. Effective April 2015, a MA fiscal group with a single member is income-eligible for full-coverage MA under the Ad-Care program and the QMB if the group's net income is at or below \$1000.83. BEM 163, p. 2; RFT 242 (May 2015), p. 1.

The Department is to determine countable income according to SSI-related MA policies in BEM 500 and 530 and apply the deductions found in BEM 541 to countable income to determine net income. BEM 163, p. 2. In calculating countable RSDI income, the Department is to consider the gross amount, before any deductions such as Medicare. BEM 163, p.2. In this case, Claimant receives monthly RSDI benefits of \$1001.90 (\$1002). (Exhibit D). A review of the SSI Related MA Income Budget establishes that the Department properly applied the \$20 unearned income general exclusion and determined that Claimant's net income for MA purposes was \$982. (Exhibit C). The Department applied an incorrect income limit of \$980.83 and determined that Claimant's income exceeded the income limit. This was not proper, as the correct income limit as referenced above is \$1000.83.

Because Claimant's net income of \$982 is less than the \$1000.83 net income limit for Ad-Care eligibility, the Department did not act in accordance with Department policy when it concluded that Claimant was ineligible for full-coverage Group 1 Ad-Care coverage and eligible only for MA coverage subject to a monthly deductible.

Additionally, MSP are SSI-related MA categories and are neither Group 1 nor Group 2. Qualified Medicare Beneficiaries (QMB) is a full coverage program. BEM 165 (January 2015), p. 1. A person receiving MA under the Ad-Care program and entitled to Medicare Part A is considered QMB eligible without a separate QMB determination. In this case, Claimant was previously receiving MSP benefits under the QMB program which was terminated when her MA coverage was transferred to the G2S program effective April 1, 2015. Based on the above discussion and because Claimant is income eligible for Ad-Care, the Department did not act in accordance with Department policy when it closed Claimant's MSP case under the QMB program on the basis that her income exceeded the limit.

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 did not act in accordance with Department policy when it determined Claimant's MA eligibility.

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. Reinstate Claimant's MA case under the Ad- Care program effective April 1, 2015;
2. Reinstate Claimant's MSP benefits under the QMB program effective April 1, 2015;
3. Provide Claimant with MA coverage under the Ad-Care and MSP QMB programs from April 1, 2015, ongoing; and
4. Notify Claimant in writing.



Zainab Baydoun
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **7/22/2015**

Date Mailed: **7/22/2015**

ZB / 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]