

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

IN THE MATTER OF:

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

Reg. No.: 15-011018
Issue No.: 2001
Case No.: ██████████
Hearing Date: August 27, 2015
County: Wayne-District 15

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 August 27, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Assistance Payment Worker.

ISSUE

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

Did the Department properly process Claimant's Medical Assistance (MA) 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 previously an ongoing recipient of MA benefits under the G2S program with a monthly deductible. (Exhibit E)
2. On July 10, 2015, Claimant's MA coverage was transferred to the Extended Care MA program effective May 1, 2015. (Exhibit E)
3. On June 1, 2015, Claimant submitted a DCH-1426 application that was processed as a request for MSP benefits. (Exhibit A)

4. On June 5, 2015, the Department sent Claimant a Health Care Coverage Determination Notice informing her that she was denied MSP benefits on the basis that her income exceeds the limit for the program. (Exhibit C)
5. On June 18, 2015, Claimant requested a hearing disputing the denial of her MSP application and the calculation of her monthly MA deductible.

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 benefits. Although it was initially unclear what negative action taken by the Department Claimant was disputing, it was established during the hearing that on June 1, 2015, Claimant submitted an application for MSP benefits that was denied due to excess income. Thus, the denial of the MSP application due to excess income will be addressed.

On June 5, 2015, the Department sent Claimant a Health Care Coverage Determination Notice informing her that she was ineligible for MSP on the basis that her income exceeds the limit for the program. (Exhibit C). MSP are SSI-related MA categories and the Additional Low-Income Medicare Beneficiaries (ALMB) is category of the MSP. BEM 165 (January 2015), p. 1. ALMB pays Medicare Part B premiums provided funding is available. BEM 165, p. 2. Income eligibility exists when net income is within the limits in RFT 242 or 247. The Department is to determine countable income according to the SSI-related MA policies in BEM 500 and 530, except as otherwise explained in BEM 165. BEM 165, pp. 7-8. The monthly income limit for a group size of one is \$1344.13. RFT 242 (May 2015), p. 2.

In support of its contention that Claimant had excess income for ALMB MSP benefits, the Department presented a SSI Related MA Income Results Budget. (Exhibit B). The Department testified that in calculating Claimant's income for MA purposes, it

considered Claimant's gross monthly RSDI benefits in the amount of \$1134.90 and \$523.14 from Claimant's pension. (Exhibit D). Claimant verified the gross amount of her RSDI benefits but stated that income taxes are withheld from her monthly pension. In calculating income however, the Department is to use the gross amount before any deductions such as taxes. BEM 500 (April 2015), p. 4. Thus, the Department properly calculated Claimant's unearned income. The Department also properly subtracted the \$20 disregard. BEM 530 (January 2014), pp. 1-2; BEM 541 (January 2014), p 3. There was no evidence presented that Claimant was entitled to any other deductions to income. BEM 530 (January 2014), pp 1-4; BEM 541 (January 2015), pp.2-3. As such, the Department properly denied Claimant's application for MSP benefits because her countable income exceeds the limit for MSP benefits.

With respect to Claimant's MA eligibility, Claimant testified that she was disputing the Department's calculation of her monthly MA deductible. At the hearing, the Department testified that prior to submitting her hearing request, Claimant had been a recipient of MA benefits under the G2S program since May 2010 with a monthly deductible. (Exhibit E). The Department testified that on July 10, 2015, the Adult Medical District certified Claimant's eligibility for MA benefits under the MA-Extended Care program with an effective date of May 1, 2015. The Department presented an eligibility summary in support of its testimony and testified that under the Extended Care MA program, there is no deductible. (Exhibit E). The evidence presented established that prior to the hearing, the Department corrected the action that Claimant requested a hearing on, as Claimant as no longer subject to a deductible. Therefore, there remains no issue left to be resolved with respect to Claimant's MA eligibility. As such, Claimant's hearing request with respect to the calculation of her MA deductible is **DISMISSED**.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED** with respect to the denial of Claimant's MSP application and the hearing request with respect to the calculation of Claimant's MA deductible is **DISMISSED**.



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

Date Signed: **9/4/2015**

Date Mailed: **9/4/2015**

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]
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