

**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.: 15-012183
Issue No.: 2001
Case No.: ██████████
Hearing Date: September 10, 2015
County: Macomb (36)

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 10, 2015, from Detroit, Michigan. Participants included the above-named Claimant. ██████████, Claimant's ██████████ testified and appeared as Claimant's authorized hearing representative (AHR). ██████████ ██████████ testified on behalf of Claimant. Participants on behalf of the Michigan Department of Health and Human Services (MDHHS) included ██████████, hearing facilitator.

ISSUE

The issue is whether MDHHS properly determined 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. On an unspecified date, Claimant applied for MA benefits.
2. Claimant's only potential Medicaid category was through AD-Care.
3. Claimant received ██████████/month in Retirement, Survivorship, and Disability Insurance (RSDI).
4. On an unspecified date, MDHHS mailed a Notice of Case Action informing Claimant that he was eligible for Medicaid, subject to an ██████████ month deductible.

5. On July 8, 2015, Claimant's AHR requested a hearing to dispute the determination that his son was eligible for Medicaid subject to a deductible.

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's AHR requested a hearing to dispute a determination of Claimant's MA eligibility. Claimant's AHR specifically objected that his son was eligible for Medicaid subject to a deductible.

It was not disputed that Claimant was disabled. Presented testimony gave no indication that Claimant ever received Supplemental Security Income (SSI); thus, potential eligibility for a Disabled Adult Children (DAC) category was rejected. It was not disputed that Claimant received RSDI for being disabled. As a disabled individual, Claimant is potentially eligible to receive Medicaid through AD-Care. BEM 163 outlines the procedures for determining AD-Care eligibility.

It was not disputed that Claimant received [REDACTED] in gross monthly RSDI. For purposes of AD-Care eligibility, MDHHS allows a [REDACTED] income disregard. Claimant's net unearned income, for purposes of AD-Care eligibility is found to be [REDACTED].

MDHHS gives budget credits for employment income, guardianship/conservator expenses and cost of living adjustments (COLA) (for January through March only). It was not disputed that Claimant had no such expenses.

Income eligibility for AD-Care exists when countable income does not exceed the income limit for the program. BEM 163 (October 2010), p. 1. As of April 2015, the net income limit for AD-Care for a one-person MA group is \$1,000.83 per month. RFT 242 (April 2015), p. 1. Because Claimant's countable income exceeded the AD-Care income limit, it is found that MDHHS properly determined Claimant to be ineligible for AD-Care.

Claimant may still receive MA benefits subject to a monthly deductible through the G2S program. Clients with a deductible may receive Medicaid if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the

deductible amount for the calendar month. BEM 545 (October 2014), 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.*

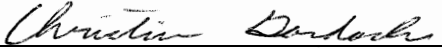
The G2S budget allows a [REDACTED] disregard for unearned income and various earned income disregards. The G2S budget also factors ongoing medical expenses (which are applied toward a deductible), insurance premiums, and remedial services. It was not disputed that Claimant had no such expenses.

The deductible is calculated by subtracting the protected income level (PIL) from the MA net income. A 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 \$408. RFT 240 (December 2013), p. 1.

Subtracting the PIL and [REDACTED] disregard from Claimant's group's income results in a monthly deductible of [REDACTED] the same amount calculated by MDHHS (see Exhibit 1). It is found that MDHHS properly determined Claimant's MA eligibility.

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. The actions taken by MDHHS are **AFFIRMED**.


Christian Gardocki
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human
Services

Date Signed: **9/10/2015**

Date Mailed: **9/11/2015**

GC/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 party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (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]