

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-012400
Issue No.: 2003, 2001
Case No.: [REDACTED]
Hearing Date: September 09, 2015
County: MACOMB-DISTRICT 12

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 3, 2015, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED], Hearing Facilitator.

ISSUE

Did the Department properly determine the Claimant's Medical Assistance status?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Claimant had a redetermination for June 2015, which she did not complete as she was hospitalized.
2. The Claimant reapplied for Medical Assistance on [REDACTED]. The information provided in the application was treated as an application and registered. The Department representative conceded that the application should have been treated as a redetermination, as it was received prior to the negative action date.
3. The Department issued a Health Care Coverage Determination Notice on [REDACTED] imposing a \$926 deductible effective [REDACTED] and closing the Claimant's AD-CARE case as of [REDACTED]. Exhibit 5. At the hearing, the Department conceded that the Claimant's AD-CARE case should not have closed effective

██████████, as the Department did not give the Claimant timely notice of the closure of Claimant's AD-CARE case as required by Department policy. Exhibit 5

4. The Claimant receives \$1354 monthly for Social Security due to disability. Exhibit 4
5. The Claimant requested a timely hearing on ██████████, protesting the closure of her MA case.

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.

In this case, the Claimant requested a hearing due to the Department's closure of her AD-CARE case due to failure to complete a redetermination. Claimant could not complete her redetermination due to the fact she was hospitalized. Claimant filed a new application for MA benefits on ██████████. At the time the application was filed, the Department registered and processed the application even though Claimant's AD-CARE case had not been closed.

The Department processed the new application dated ██████████ and issued a Health Care Coverage Determination Notice on ██████████, which closed Claimant's AD-CARE as of ██████████ and imposed a deductible as of ██████████. Exhibit 5. Based upon the ██████████ Notice, the Claimant did not have MA coverage for June 2015. The Claimant's MA coverage, however, did properly change to a deductible as of ██████████. Previously, the Department's system did not pick up the Claimant's income so the Claimant was eligible for AD-CARE (full Medicaid) because her income was not considered in determining eligibility.

The ██████████ Notice was correct in that it changed the Claimant's health care benefits to a spend down as of ██████████, but erred when it closed the Claimant's AD-CARE case as it was required to give the Claimant timely notice. The Department

should have treated the Claimant's new application as a redetermination, as the Department had taken no action to close the Claimant's AD-CARE. Thus, once it determined that the Claimant was not eligible for AD-CARE, the Claimant was entitled to timely notice; and her AD-CARE should not have closed until [REDACTED]. The Department conceded this error on their part when it improperly imposed the deductible to begin [REDACTED] and agreed the AD-CARE should not have closed as of June 1, 2015. BAM 210 (October 1, 2015), p. 14; BEM 220 (July 1, 2015), p. 12

Calculation of Deductible

At the hearing, the MA deductible budget was reviewed to determine if the Department correctly calculated the deductible in the amount of \$926. The Department correctly included \$1354 monthly RSDI received by Claimant from Social Security benefits. Claimant confirmed this amount as correct. Exhibit 3. Bridges gives timely notice of the negative action if the time limit is **not** met. BAM 210 (October 1, 2015) p. 14. BEM 220 (July 1, 2015) p. 12

Clients who are not eligible for full MA coverage because their net income exceeds the applicable Group 2 MA Protected Income Levels (PIL) based on their shelter area and fiscal group size, are eligible for MA coverage under the deductible program with the deductible equal to the amount their monthly net income exceeds the PIL. BEM 135 (January 2011), p. 2; BEM 544 (August 2008), p. 1; BEM 545 (July 2011), p. 2; RFT 240 (July 2007), p. 1.

In this case, the monthly PIL for an MA group of one (Claimant) living in Macomb County is \$408. BEM 211 (November 2012), p. 5; RFT 200 (July 2007), p. 1; RFT 240, p. 1. Therefore, Claimant's MA coverage is subject to a deductible if Claimant's monthly net income, based on her gross income, is greater than \$408.

In this case, the Department produced an SSI-Related MA budget showing how the deductible in Claimant's case was calculated. Exhibit 4. Claimant confirmed her monthly gross income amount from RSDI. Thus, the Department properly concluded that Claimant's gross income was \$1354. This amount is reduced by a \$20 disregard, resulting in a net unearned income of \$1334. See BEM 163, p. 2; BEM 530 (October 1, 2012); BEM 541 (January 1, 2011), p.5. No other expense were presented by the Claimant, thus the final step is to deduct the \$408 PIL from the net income of \$1334, which results in a deductible of \$926. Exhibit 4. The Claimant was hospitalized in June and thus was eligible for AD-CARE, however, the Department must fix this error as previously explained.

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 determined the Claimant's MA deductible in the amount of \$926 effective [REDACTED].

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 closed the Claimant's AD-CARE case without giving Claimant timely notice and imposed a deductible on the Claimant's case for [REDACTED] (her redetermination month).

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 act in accordance with Department policy when it imposed a deductible of \$926 as of [REDACTED].


DECISION AND ORDER

Accordingly, the Department's decision is

AFFIRMED IN PART with respect to the Department's action imposing a spend down in the amount of \$926 effective [REDACTED]; and, **REVERSED IN PART** with respect to imposition of the deductible for the month of June 2015.

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. The Department shall process the [REDACTED] application as a redetermination for the month of June, determine eligibility for medical assistance, and shall provide Claimant timely notice consistent with this Decision and Order.
2. The Department shall provide written notice to the Claimant regarding its determination of eligibility for June 2015.



Lynn M. Ferris
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **9/30/2015**

Date Mailed: **9/30/2015**

LMF / hw

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:

