

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

IN THE MATTER OF:

[REDACTED]

MAHS Reg. No.: 15-023877
Issue No.: 2001
Agency Case No.: [REDACTED]
Hearing Date: February 18, 2016
County: Macomb (20)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

Following Petitioner'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 February 18, 2016, from Detroit, Michigan. Petitioner appeared and was unrepresented. [REDACTED]

[REDACTED] Petitioner's spouse, testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

ISSUE

The issue is whether MDHHS properly determined Petitioner'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. Petitioner received ongoing Retirement Survivor Disability Insurance (RSDI) income of \$1284.90.
2. Petitioner's spouse received RSDI of \$321.
3. Petitioner had a dependent child.
4. On an unspecified date, MDHHS determined Petitioner to be eligible for Medicaid subject to a \$628/month deductible, effective January 2016.

5. On [REDACTED], Petitioner requested a hearing to dispute the determination that he 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).

Petitioner requested a hearing to dispute a determination of MA. It was not disputed that MDHHS determined Petitioner to be eligible for Medicaid subject to a \$628.00 deductible. Petitioner indicated he disputed his MA eligibility since January 2016.

The Medicaid program is comprised of several sub-programs or categories. BEM 105 (October 2014), p. 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, Plan First!, and Adult Medical Program is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

Clients may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility or the least amount of excess income. *Id.*

As a disabled person, Petitioner may qualify for MA benefits through Aged-Disabled Care (AD-Care) or Group 2 Spend-Down (G2S). AD-Care and G2S are both SSI-related categories. BEM 163 outlines the proper procedures for determining AD-Care eligibility. BEM 166 outlines the proper procedures for determining G2S eligibility.

It was not disputed that Petitioner received gross monthly RSDI of \$1284.90/month. Petitioner's spouse received RSDI of \$321/month. For purposes of AD-Care eligibility, MDHHS allows a \$20 income disregard. MDHHS also gives budget credits for employment income, guardianship/conservator expenses and cost of living adjustments (COLA) (for January through March only). Applying the \$20 disregard results in a countable income of \$1605.90.

Income eligibility [for AD-Care] exists when net income does not exceed the income limit in RFT 242. BEM 163 (July 2013), p. 2. The net income limit for AD-Care for a two-

person MA group is \$1327.50/month. RFT 242 (October 2015), p. 1. It is not known if the above-cited RSDI income amounts for Petitioner and his wife were for 2015 or 2016. Even if Petitioner's 2016 COLA was not excluded by MDHHS, it is improbable that it would reduce Petitioner's income to the point of being below the AD-Care income limit. It is found that MDHHS properly determined Petitioner to be ineligible for AD-Care.

Petitioner 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 deductible is calculated by subtracting the Protected Income Level (PIL) from the MA net income. The protected income level (PIL) is a standard allowance for non-medical need items such as shelter, food and incidental expenses. The PIL for Petitioner's shelter area and group size is \$541. RFT 240 (December 2013), p. 1.

The G2S budget factors insurance premiums, remedial services and ongoing medical expenses. It was not disputed Petitioner had \$104.90 in insurance premiums. Subtracting the PIL, Medicare premium expense, and \$20 disregard from the group's income results in a monthly deductible of \$940.

As it happened, MDHHS calculated a more favorable deductible for Claimant through the G2C program. G2C is a Medicaid category available to caretakers of minor children.

Income eligibility [for G2C] exists when net income does not exceed the Group 2 needs in BEM 544. BEM 135 (October 2015), p. 2. [MDHHS is to] apply the Medicaid policies in BEM 500, 530 and 536 to determine net income. *Id.*

The G2C net income calculation starts with determining Petitioner's pro-rated income. This is calculated by dividing Petitioner's income (\$1284.90) by a pro-rated divisor. The pro-rated divisor is the sum of 2.9 and the number of dependents (one dependent child and a spouse). Petitioner's pro-rated income is \$262. Petitioner's spouse's income of \$321 is also divided by 4.9 to determine her prorated income (\$65).

Petitioner's income is multiplied by 2.9 to determine his share of his own income (\$759). Petitioner's spouse's income is multiplied by 3.9 to determine the spouse's share of the spouse's own income (\$253). Each spouse's share of their income (\$759 + \$253) is added with the couple's share of each other's income (which is also Petitioner's pro-rated income of \$262) to determine the total net income. The total running net income is \$1274.

Deductions are given for insurance premiums, remedial services and ongoing medical expenses. MDHHS factored a Medicare premium cost of \$104.90; this is subtracted from the total income to determine the net income (\$1169.10). The income limit for G2C eligibility is \$541 (see RFT 240 (December 2013), p. 1). The amount that Petitioner's net income exceeds the income limit is the amount of deductible. Petitioner's deductible is calculated to be \$628, the same amount as calculated by MDHHS.

Petitioner testified that he incurred significant medical expenses, travel expenses related to his children, and loans. Unfortunately for Petitioner, none of these expenses are factored in the MA determination. It is found that MDHHS properly determined Petitioner to be eligible for Medicaid subject to a \$628/month deductible, effective January 2015.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible for Medicaid subject to a \$628 deductible, effective January 2016. The actions taken by MDHHS are **AFFIRMED**.



Christian Gardocki

Administrative Law Judge
for Nick Lyon, Director

Department of Health and Human Services

Date Signed: **FEBRUARY 25, 2016**

Date Mailed: **FEBRUARY 25, 2016**

CG / 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:

