

**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.: 15-019702  
Issue No.: 2001  
Agency Case No.: [REDACTED]  
Hearing Date: January 14, 2016  
County: Isabella

**ADMINISTRATIVE LAW JUDGE:** C. Adam Purnell

**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 January 14, 2016, from Lansing, Michigan. Petitioner represented herself and provided testimony. [REDACTED] (MARA worker/Eligibility Specialist) and [REDACTED] (Lead Worker) represented the Department of Health and Human Services (Department).

**ISSUE**

Did the Department properly determine Petitioner's Medical Assistance (MA) deductible amount?

**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 lives alone in Isabella County.
2. Petitioner received monthly unearned income in the amount of \$ [REDACTED] at all relevant times. [Exhibit 1, p. 12].
3. Petitioner was active for MA-G2S with a \$ [REDACTED] monthly deductible amount. [Exh. 1, p. 12].
4. Petitioner paid \$ [REDACTED] per month for third-party premiums (Cobra) and \$ [REDACTED] per month for Medicare Part B premiums for a total of \$ [REDACTED] [Exh. 1, p. 13].
5. In, or around, September, 2015, Petitioner informed the Department that she was no longer able to pay the \$ [REDACTED] monthly premium.

6. On March 18, 2015, the Department mailed Petitioner a Health Care Coverage Determination Notice (DHS-1606) which indicated that her deductible amount has changed. [Exh. 1, p. 8].
7. Effective April 1, 2015, the Department removed \$546.64 from Petitioner's countable income, which resulted in a new monthly countable income of \$ [REDACTED] [Exh. 1, p. 11].
8. On October 5, 2015, Petitioner requested a hearing to dispute the MA deductible amount.

### **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.

The MA program is also referred to as "Medicaid." BEM 105 (10-1-2014), p. 1. The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105, p. 1. The Medicaid program is comprised of several sub-programs or categories. One category is FIP recipients. BEM 105, p. 1. Another category is SSI recipients. BEM 105, p. 1. There are several other categories for persons not receiving Family Independence Program (FIP) or SSI. BEM 105, p. 1. However, the eligibility factors for these categories are based on (related to) the eligibility factors in either the FIP or SSI program. BEM 105, p. 1. Therefore, these categories are referred to as either FIP-related or SSI-related. BEM 105, p. 1.

To receive Medicaid under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive Medicaid under FIP-related categories. BEM 105, p. 2.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 105, p. 2. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105, p.

2. The income limit, which varies by category, is for nonmedical needs such as food and shelter. BEM 105, p. 2. Medical expenses are not used when determining eligibility for FIP-related and SSI-related Group 1 categories. BEM 105, p. 2. For Group 2, eligibility is possible even when net income exceeds the income limit. BEM 105, p. 2. This is because incurred medical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 categories. BEM 105, p. 2.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545, p. 10 (1-1-2015).

For an MA recipient, a future month budget must be performed at redetermination and when a change occurs that may affect eligibility or a post-eligibility PPA. BEM 530 (1-1-2014), p. 1. For an MA deductible client, a future month budget must be performed at redetermination and when a change occurs that may affect deductible status. BEM 530, p. 1. Countable income is income remaining after applying MA policy in BEM 500. BEM 530, p. 1.

Here, the Department argues that Petitioner's MA deductible amount was calculated correctly at \$ [REDACTED] due to the fact that she no longer pays the \$ [REDACTED] insurance premiums. Petitioner does not dispute the Department's calculations. Rather, Petitioner contends that the MA deductible amount is too high and that she can no longer afford to pay it.

Testimony and other evidence must be weighed and considered according to its reasonableness. *Gardiner v Courtright*, 165 Mich 54, 62; 130 NW 322 (1911); *Dep't of Community Health v Risch*, 274 Mich App 365, 372; 733 NW2d 403 (2007). The weight and credibility of this evidence is generally for the fact-finder to determine. *Dep't of Community Health*, 274 Mich App at 372; *People v Terry*, 224 Mich App 447, 452; 569 NW2d 641 (1997). Moreover, it is for the fact-finder to gauge the demeanor and veracity of the witnesses who appear before him, as best he is able. See, e.g., *Caldwell v Fox*, 394 Mich 401, 407; 231 NW2d 46 (1975); *Zeeland Farm Services, Inc v JBL Enterprises, Inc*, 219 Mich App 190, 195; 555 NW2d 733 (1996).

This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record. The parties do not dispute the facts. In the instant matter, the fiscal group member was 1 (the petitioner). The total net income is \$ [REDACTED]. According to RFT 240 (12-1-2013), the protected income limit (PIL) for a group size of 1 in Shelter Area IV (Isabella County (37)) is \$ [REDACTED]. See RFT 200 (12-1-2013), p. 2. The PIL subtracted from the net income is the remaining deductible. \$ [REDACTED] - \$ [REDACTED] = \$ [REDACTED]. BEM 536 (1-1-2014), pp.1-7. The appropriate monthly MA deductible amount is \$ [REDACTED].

Accordingly, this Administrative Law Judge finds that the department properly determined Petitioner's proper deductible amount for purposes of her MA eligibility based on the excess income. The material, competent and substantial evidence on the

whole record shows that the Department correctly determined that Petitioner's MA deductible is \$ [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 acted in accordance with Department policy when it determined Petitioner's MA deductible amount.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.

IT IS SO ORDERED.



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**C. Adam Purnell**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health & Human Services

Date Mailed: 1/15/2016

CAP/las

**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:

