



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

MIKE ZIMMER  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: March 11, 2016  
MAHS Docket No.: 15-023783  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab Baydoun**

**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 three way telephone hearing was held on March 7, 2016, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Assistance Payment Supervisor.

**ISSUE**

Did the Department properly process Petitioner's Medical Assistance (MA) benefits and calculate her monthly deductible?

**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 was an ongoing recipient of MA benefits under a full coverage MA program.
2. Petitioner reported during a prior administrative hearing held on December 7, 2015, that she has \$1351 in gross monthly Retirement, Survivors and Disability Insurance (RSDI) income and \$149.50 in gross monthly pension income. (Exhibit A, p. 21)
3. The Department redetermined Petitioner's eligibility to receive full coverage MA.

4. On December 7, 2015, the Department sent Petitioner a Health Care Coverage Determination Notice informing her that effective January 1, 2016, she was approved for MA with a monthly deductible of \$1072. (Exhibit A, pp.21-23)
5. On December 14, 2015, Petitioner requested a hearing disputing the Department's actions with respect to her MA benefits.

### **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.

Petitioner requested a hearing disputing the Department's actions with respect to her MA benefits. Petitioner clarified the issue she requested a hearing to dispute and stated that she now understood that the monthly income of \$1500 as referenced on a budget summary was correct. Petitioner raised concerns regarding the transfer of her MA coverage from a full coverage MA program to a program with a monthly deductible of \$1072.

Petitioner, who receives RSDI, is eligible for SSI-related MA, which is MA for individuals who are blind, disabled or over age 65. BEM 105 (October 2014), p. 1. Individuals are eligible for Group 1 coverage, with no deductible, if their income falls below the income limit, and eligible for Group 2 coverage, with a deductible that must be satisfied before MA is activated, when their income exceeds the income limit. BEM 105, p. 1.

At the hearing, the Department testified that Petitioner had previously been receiving MA under the Healthy Michigan Plan (HMP) and that because Petitioner reported a change in income during a prior administrative hearing, her eligibility to receive full coverage MA under the HMP was reviewed. The Department testified that Petitioner was no longer income eligible for HMP MA benefits and that effective January 1, 2016, her MA coverage was transferred to the Group 2 Aged, Blind, and Disabled (G2S) category with a monthly deductible. BEM 166 (July 2013), p. 1.

Additionally, 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 (January 2016), p 10. Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105 (January 2016), pp. 1-5; BEM 166, pp 1-2; BEM 544 (July 2013), p 1; RFT 240 (December 2013), p 1. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, p. 1. The monthly PIL for an MA group of one (Petitioner) living in [REDACTED] is \$408 per month. RFT 200 (December 2013), pp. 1-2; RFT 240, p 1. Thus, if Petitioner's net monthly income is in excess of the \$408, she may become eligible for assistance under the deductible program, with the deductible being equal to the amount that her monthly income exceeds \$408. BEM 545, p 1.

At the hearing, the Department produced a SSI-Related MA budget showing how the deductible in Petitioner's case was calculated. (Exhibit A, p.9). The Department testified that in calculating Petitioner's unearned income of \$1500, it considered her monthly RSDI benefits in the amount of \$1351 and \$149.50 which consisted of Petitioner's gross monthly pension income. Petitioner verified that the amount of her RSDI benefit was accurate, as was the amount of her monthly pension. The Department also presented a SOLQ in support of its testimony. (Exhibit A, pp. 4-6). Thus, the Department properly calculated Petitioner's unearned income. The Department properly subtracted the \$20 unearned income general exclusion and determined that Petitioner's total countable income for MA purposes was \$1480, as there was no evidence presented that Petitioner was entitled to any other deductions to income. BEM 530 (January 2014), pp 1-4; BEM 541 (January 2016), pp.2-3.

Because Petitioner's countable income of \$1480 for MA purposes exceeds the monthly protected income level of \$408 by \$1072, the Department properly calculated Petitioner's monthly \$1072 MA deductible in accordance with Department policy.

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 processed Petitioner's MA case and determined that she was eligible for MA with a monthly deductible.

**DECISION AND ORDER**

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



ZB/tlf

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

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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

DHHS

[REDACTED]  
[REDACTED]  
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Petitioner

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