



RICK SNYDER
GOVERNOR

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

MIKE ZIMMER
DIRECTOR

[REDACTED]

Date Mailed: March 11, 2016
MAHS Docket No.: 16-000310
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton

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 March 9, 2016, from Detroit, Michigan. The Petitioner was represented by [REDACTED], her Authorized Hearing Representative (AHR). The Department of Health and Human Services (Department) was represented by [REDACTED].

ISSUE

Did the Department properly provide Petitioner with Medical Assistance (MA) coverage subject to a \$756.00 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.
2. On [REDACTED], the Department sent Petitioner a Redetermination, which was required to be returned by [REDACTED].
3. Petitioner returned the Redetermination on [REDACTED], and indicated that she was receiving RSDI income.
4. The Department recalculated Petitioner's eligibility for MA coverage, and on [REDACTED] sent Petitioner a Health Care Coverage Determination Notice

informing her that she was entitled to MA coverage subject to a \$756.00 monthly deductible.

5. On [REDACTED], Petitioner filed a request for hearing disputing the Department's actions.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

Additionally, clients are eligible for Group 2 MA coverage when their net income less any allowable needs deductions exceeds the applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (December 2014), p. 1; BEM 166 (July 2013), p. 2; BEM 544 (July 2013), p. 1; RFT 240 (December 2013), p. 1. In such cases, the client is eligible for Group 2 MA coverage under the deductible program with the deductible equal to the amount that the client's monthly income exceeds the PIL. BEM 545 (October 2015), p. 10.

The monthly PIL for an MA fiscal group size of one living in Wayne County is \$375.00 per month. RFT 200 (December 2013), pp. 1-2; RFT 240, (December 2013) p 1. Thus, if Petitioner's net income is in excess of \$375.00, she may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly income exceeds \$375.00. There is no dispute that Petitioner's monthly income exceeded \$375.00 and thus she is eligible for Group 2 MA benefits under the deductible program.

In this case, the Department did not consider any income for Petitioner prior to the receipt of the Redetermination. The Redetermination was mailed to Petitioner on [REDACTED] and was due on or before [REDACTED]. Petitioner did not return the Redetermination until [REDACTED]. However, the Department did not close Petitioner's MA coverage for failing to timely return the Redetermination. Instead, the Department conducted an inquiry with the Social Security Administration based upon Petitioner's report of RSDI income on the Redetermination. The inquiry revealed that Petitioner was receiving \$1,151.00 in RSDI income. The RSDI income was reduced by \$104.90 for Part B insurance premiums.

The Department completed a new budget based upon the new income information received. In calculating Petitioner's MA eligibility, the Department failed to include a deduction for the insurance premiums being deducted from Petitioner's RSDI income. The Department's failure to calculate the deduction resulted in an increased deductible payment.

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 failed to properly calculate Petitioner's eligibility for Group 2 MA coverage under the deductible program.

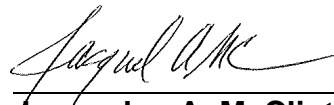
DECISION AND ORDER

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

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. Recalculate Petitioner's eligibility for Group 2 MA coverage under the deductible program with the deductible.
2. Notify Petitioner in writing of Department's actions.

JM/hw



Jacquelyn A. McClinton

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]

Authorized Hearing Rep.

[REDACTED]

Petitioner

[REDACTED]