



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR



Date Mailed: June 17, 2016  
MAHS Docket No.: 16-004739  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Darryl Johnson

### **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 June 15, 2016, from Lansing, Michigan. The Petitioner was represented by his son, [REDACTED]. The Department of Health and Human Services (Department) was represented by Assistance Payments Worker [REDACTED].

### **ISSUE**

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

### **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 on-going MA recipient.
2. On January 20, 2016, the Department received notice that Petitioner entered a nursing home.
3. On January 27, 2016, the Department updated his information to include a previously unknown pension Petitioner was receiving from [REDACTED] in the gross amount of \$ [REDACTED] and a net payment amount of \$ [REDACTED]. See Exhibit 1 Page 29. The net amount was used in determining his Patient Pay Amount (PPA).

4. On March 2, 2016, the Department received additional information about the pension.
5. On March 3, 2016, the Department updated Petitioner's PPA to include the gross pension amount instead of the net, and the PPA was set at \$ [REDACTED] monthly based upon his gross pension and his Social Security benefit.
6. The Department also counted his insurance expenses (Medicare Part B, Dental, Vision) in determining his PPA.
7. On April 4, 2016, the Department received a hearing request from Petitioner's Authorized Hearing Representative.
8. Petitioner is now deceased.

### **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.

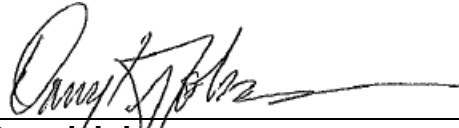
In this case, Petitioner's son disagreed with the use of the gross amount of his father's gross income in determining the PPA. He could not understand how he was supposed to pay a \$ [REDACTED] PPA each month when his father receives RSDI of \$ [REDACTED] per month (Exhibit 1 Page 8) and a net pension of \$ [REDACTED] (Page 29). That is a conundrum. However, the Department is required to follow policy, regardless of how a Petitioner might be affected by other state or federal regulations. Here, BEM 503 (7/1/16) at page 28 requires Bridges to count the gross benefit amount of RSDI and other retirement income. There is nothing in policy that allows the Department to deduct federal or state taxes from the income.

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 based the PPA on the gross income instead of using after-tax income.

**DECISION AND ORDER**

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

DJ/mc



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**Darryl Johnson**  
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]

**Authorized Hearing Rep.**

[Redacted]

**Petitioner**

[Redacted]