



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: June 7, 2016  
MAHS Docket No.: 16-005610  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris**

### **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 [REDACTED] from Detroit, Michigan. The Petitioner was represented by her Guardian, [REDACTED]. The Petitioner did not appear. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator.

### **ISSUE**

Did the Department properly calculate the Petitioner's spenddown for Medical Assistance (MA)?

### **FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Petitioner was an ongoing recipient of MA subject to a spenddown and is eligible for MA GS2 with a deductible of \$ [REDACTED] per month.
2. The Petitioner receives \$ [REDACTED] in Supplemental Security Income (SSI) on a monthly basis. The Petitioner pays a Medicare Part B premium in the amount of \$ [REDACTED] Exhibit 2.
3. The Department issued a Health Care Coverage Determination Notice on [REDACTED] finding the Petitioner eligible for MA with a \$ [REDACTED] monthly deductible. Exhibit 3.

4. The Petitioner requested a timely hearing on [REDACTED], protesting the Department's actions.

### **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, the Petitioner sought review of her MA eligibility due to the Department's imposition of the MA deductible of \$ [REDACTED] monthly. A review of the deductible budget was made at the hearing; the Petitioner's Guardian confirmed the Petitioner receives income monthly from SSI in the amount of \$ [REDACTED]. The Department sent the Petitioner a Health Care Coverage Determination Notice that notified her of her \$ [REDACTED] monthly deductible, which was effective [REDACTED], ongoing. Exhibit 3. This Hearing Decision, based upon the evidence presented, addresses whether the Department properly provided Petitioner with MA subject to a \$ [REDACTED] monthly deductible.

The Petitioner's Guardian, who appeared on her behalf, testified that the Petitioner is disabled and receives SSI in the amount of \$ [REDACTED] a month. She also pays a Medicare Part B Premium in the amount of \$ [REDACTED] as such the Petitioner, is a disabled individual, is eligible for MA under an SSI-related category. BEM 105 (October 2014), p. 1. Petitioner is the sole member of her MA fiscal group. The type of SSI-related MA program the Petitioner is eligible for is based in part on her fiscal group income. In order to be eligible for full coverage Ad Care MA, the Petitioner's net income cannot exceed \$ [REDACTED] for fiscal group of one member. RFT 242, (April 2016), p. 1.

Based on the net income, Petitioner was not eligible for full coverage MA under the Ad Care Program. Clients who are ineligible for full coverage MA because of excess income are eligible for group 2 MA coverage, which provides for MA coverage with the deductible. BEM 105, p.1. The deductible is the amount that the Petitioner's net income (less any allowable needs deductions) exceeds the applicable group 2 MA protected income levels (PIL); the PIL is based on the Petitioner's shelter area and fiscal group size. See RFT 240 (December 2013), p. 1.

The monthly protected income level for a client in Petitioner's position within MA fiscal group size of one living in Macomb County is \$ [REDACTED] RFT 200 (December 2013), pp.1-2; RFT 240, P.1. Thus, if Petitioner's monthly net income (less allowable needs deductions is in excess of \$ [REDACTED] she may become eligible for MA under the deductible program with the deductible equal to the amount that her monthly net income, less allowable deductions exceeds \$ [REDACTED] BEM 545 (January 2015), p. 2. Allowable needs deductions are for health insurance premiums paid by the MA group and any remedial services allowances for to individuals in adult foster care home for the aged. BEM 544 (July 2013), pp. 1-3.

In this case, the budget presented by the Department does demonstrate that the Department applied the \$ [REDACTED] disregard as a deduction from income. The Department also deducted the Petitioner's Part B Medicare Premium in the amount of \$ [REDACTED] which was deducted from Petitioner's SSI, leaving countable income on \$ [REDACTED]. The last step was also correctly performed by the Department when it deducted the protected income level amount of \$ [REDACTED] leaving an MA deductible of \$ [REDACTED] Exhibit 4.

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 calculated the Petitioner's MA deductible to be \$ [REDACTED] monthly.

### **DECISION AND ORDER**

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

LMF/jaf



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**Lynn M. Ferris**  
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]

**cc:**

[REDACTED]