



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: July 22, 2016
MAHS Docket No.: 16-007609
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Susanne E. Harris

HEARING DECISION

Following the 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 July 14, 2016, from Lansing, Michigan. The Petitioner, [REDACTED], appeared and testified with her husband, [REDACTED], and her Case Manager from Livingston County Community Mental Health, [REDACTED]. The Department of Health and Human Services (Department) was represented by Assistance Payments Worker, [REDACTED]

ISSUE

Did the Department properly take action to reduce the Petitioner's Medical Assistance (MA) benefits by imposing a monthly deductible of \$ [REDACTED]

Did the Department properly take action on the Petitioner's application for Medicare Savings Program (MSP)?

FINDINGS OF FACT

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

1. On July 17, 2015, the Petitioner filed an Assistance Application and did not report that he had RSDI income. The Petitioner then became an ongoing recipient of full MA without a deductible.
2. On May 26, 2016, the Department discovered, when processing the Petitioner's redetermination, that the Petitioner had RSDI income and he qualifies for Medicare.

3. The Petitioner receives \$ [REDACTED] unearned income as is reflected in the Department's budget. The Department allowed for an unearned income general exclusion of \$ [REDACTED] and a protected income limit of \$ [REDACTED]. The budget therefore results in a monthly deductible of \$ [REDACTED].
4. There is no Health Care Coverage Determination Notice in evidence; however, the Department's hearing summary indicates that on June 10, 2016, the Department sent the Petitioner notice that his MA case was now subject to a monthly deductible of \$ [REDACTED].
5. On June 2, 2016, the Department received the Petitioner's written hearing request protesting the imposition of the deductible on his MA case.

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.

Bridges eligibility manual (BEM) 137 (2016) p. 1, provides, the Healthy Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology.

The Healthy Michigan Plan provides health care coverage for a category of eligibility authorized under the Patient Protection and Affordable Care Act and Michigan Public Act 107 of 2013 effective April 1, 2014.

The Healthy Michigan Plan (HMP) provides health care coverage for individuals who:

- Are 19-64 years of age
- Do not qualify for or are not enrolled in Medicare
- Do not qualify for or are not enrolled in other Medicaid programs
- Are not pregnant at the time of application
- Meet Michigan residency requirements

- Meet Medicaid citizenship requirements
- Have income at or below 133 percent Federal Poverty Level (FPL).

In this case, the Petitioner had MAGI-based MA in error as he qualifies for Medicare. Based on the above cited policy, this Administrative Law Judge concludes that the Petitioner is not eligible for MAGI. As such, the Department properly considered the Petitioner's gross income when determining his eligibility for MA. The amounts used as income, general exclusion and protected income limit were not at all contested during the hearing and a close review of the budget reveals that the Department properly computed the Petitioner's deductible. As such, this Administrative Law Judge concludes that the Department was acting in accordance with departmental policy when determining that the Petitioner's MA case be subject to a \$█ deductible.

The Petitioner was also protesting the Department's failure to process his Medicare Savings Program (MSP) application. It is not contested that the Petitioner is eligible for Medicare and it was not contested during the hearing that the Petitioner has applied for MSP. The Department personnel at the hearing submitted no evidence and could not accurately testify as to what happened to be Petitioner's application for MSP.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, finds that the Department acted in accordance with Department policy when it took action to impose a deductible of \$█ on the Petitioner's MA case. The Department did not act in accordance with Department policy when it failed to process the Petitioner's MSP application.

DECISION AND ORDER

Accordingly, the Department's decision as to the MSP issue is **REVERSED**.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, INCLUDING ISSUING A NEW ELIGIBILITY DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine the Petitioner's eligibility for MSP back to his application date, and
2. Issue the Petitioner any supplement he may thereafter be due,

3. The Petitioner retains the right to request a hearing on the new eligibility determination.

Susanne E. Harris

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Susanne E. Harris
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]

[REDACTED]

[REDACTED]

[REDACTED]

Petitioner

[REDACTED]