



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 29, 2016
MAHS Docket No.: 16-008629
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

HEARING DECISION

Following '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 himself. A witness, [REDACTED] appeared on behalf of the Petitioner. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator.

ISSUE

Did the Department properly determined the Petitioner's spenddown deductible for 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. The Petitioner is an ongoing recipient of MA subject to a \$ [REDACTED] per month Medicaid spenddown beginning [REDACTED].
2. The Petitioner receives unearned income from Retirement, Survivors and Disability Insurance (RSDI) from the Social Security Administration (SSA) in the amount of \$ [REDACTED] monthly. The Petitioner confirmed that the amount of the income is correct. Exhibit 1.

3. The Petitioner's Part B Medicare premium is paid by the state of [REDACTED]. The Petitioner is an MA group of one person and currently resides in [REDACTED] County Michigan.
4. The Petitioner requested a timely hearing regarding the Department's actions on [REDACTED].

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 the Department's determination of his MA deductible amount of \$ [REDACTED] per month. At the hearing, the Petitioner's Supplemental Security Income (SSI)-related Medicaid budget used to determine the deductible amount was reviewed. Based upon that review, the Department correctly applied the monthly income amount of \$ [REDACTED] based upon an SSA letter. Exhibit 1. The amount of monthly income from RSDI was confirmed by the Petitioner. At the hearing, it was explained by the Department that the Petitioner does not pay the Medicare Part B premium as it is currently being paid by the state of [REDACTED] and thus, the Department correctly did not deduct the cost of the premium from the unearned income. Exhibit 2. The Department correctly determined the amount of the protected income level for [REDACTED] County, Michigan, to be \$ [REDACTED] monthly. Exhibit 2.

Clients who are not eligible for full MA coverage because their net income exceeds the applicable Group 2 MA Protected Income Levels (PIL) based on their shelter area and fiscal group size, are eligible for MA coverage under the deductible program with the deductible equal to the amount their monthly net income exceeds the PIL. BEM 135 (January 2011), p. 2; BEM 544 (August 2008), p. 1; BEM 545 (July 2011), p. 2; RFT 240 (July 2007), p. 1.

In this case, the monthly PIL for an MA group of one (Petitioner) living in [REDACTED] County is \$ [REDACTED]. BEM 211 (November 2012), p. 5; RFT 200 (July 2007), p. 1; RFT

240, p. 1. Therefore, Petitioner's MA coverage is subject to a deductible if Petitioner's monthly net income, based on his gross income, is greater than \$ [REDACTED]

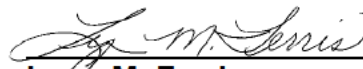
In this case, the Department produced an SSI-Related MA budget showing how the deductible in Petitioner's case was calculated. Exhibit 4. The Petitioner confirmed his monthly gross income amount from RSDI. Thus, the Department properly concluded that Petitioner's gross income was \$ [REDACTED]. This amount is reduced by a \$ [REDACTED] disregard, resulting in a net unearned income of \$ [REDACTED]. See BEM 163, p. 2; BEM 530 (October 1, 2012); BEM 541 (January 1, 2011), p. 5. No Other expenses were presented which were allowed to be deducted from the Net unearned income as the the Medicare Part B premium in the amount of \$ [REDACTED] is currently paid for by the state of [REDACTED]. The final step is to deduct the \$ [REDACTED] PIL from the net income of \$ [REDACTED] which results in a deductible of \$ [REDACTED].

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 determined the Petitioner's MA deductible to be \$ [REDACTED] per month.

DECISION AND ORDER

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

LMF/jaf



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]

[REDACTED]

cc:

[REDACTED]