



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: August 29, 2016  
MAHS Docket No.: 16-009874  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

### **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 August 22, 2016, from Detroit, Michigan. Petitioner's spouse, [REDACTED], testified and appeared as Petitioner's authorized hearing representative. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

### **ISSUE**

The issue is whether MDHHS properly determined Petitioner's spouse's AHR's eligibility 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. Petitioner's spouse was an ongoing MA benefit recipient.
2. Petitioner's spouse was a married individual receiving [REDACTED] in gross RSDI benefits.
3. On [REDACTED], MDHHS determined Petitioner's spouse was eligible for Medicaid subject to a [REDACTED]/month deductible, effective July 2016.
4. On [REDACTED], Petitioner requested a hearing to dispute her husband's MA eligibility.

## CONCLUSIONS OF LAW

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. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a determination of MA eligibility. Petitioner signed the determination but the dispute concerned her spouse. MDHHS presented a Health Care Coverage Determination Notice (Exhibit 1, p. 1) stating Petitioner's spouse was deemed eligible to receive Medicaid subject to a [REDACTED]/month deductible, effective July 2016.

Presented evidence indicated Petitioner's spouse was an ongoing Medicaid recipient over the past several years. Normally, past eligibility is not insightful concerning current eligibility, however, it was odd that Petitioner's spouse would now have such a substantial deductible after previously being Medicaid eligible. Evidence did not explain the substantial change, though the most likely explanation was the change in Petitioner's household. Petitioner's spouse indicated his son recently turned 18 years old. The seemingly innocuous change likely eliminated potential Medicaid categories from Petitioner's spouse (e.g. low-income family, caretaker relative...)

It was not disputed that Petitioner's spouse is disabled and/or aged. As a disabled and/or aged individual, Petitioner's spouse is potentially eligible to receive Medicaid through AD-Care. BEM 163 outlines the procedures for determining AD-Care eligibility.

[For all programs,] Bridges counts the gross benefit amount as unearned income. BEM 503 (July 2015), p. 28. Some exceptions to counting the gross benefit amount exist (e.g. Medicare premium refunds, returned benefits (see BEM 500), fees paid to qualified organizations acting as a payee...), though none are applicable in the present case. Gross amount means the amount of RSDI before any deduction, such as Medicare. BEM 163 (July 2013), p. 2.

It was not disputed that Petitioner's spouse received [REDACTED]/month (dropping cents) in gross RSDI benefits. It was not disputed Petitioner received [REDACTED] in RSDI benefits. The total gross income is found to be [REDACTED].

MDHHS gives AD-Care budget credits for employment income, guardianship and/or conservator expenses and cost of living adjustments (COLA) (for January through March only). Petitioner and her spouse's testimony did not allege any such expenses.

Income eligibility for AD-Care exists when countable income does not exceed the income limit for the program. BEM 163 (October 2010), p. 1. The net income limit for AD-Care for a two-person MA group is [REDACTED]. RFT 242 (May 2015), p. 1. It is found that MDHHS properly determined Petitioner's spouse to be ineligible for AD-Care.

Petitioner's spouse may still receive MA benefits subject to a monthly deductible through the G2S program. Clients with a deductible may receive Medicaid if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount.

Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. BEM 545 (October 2014), p. 11. The client must report medical expenses by the last day of the third month following the month in which the group wants MA coverage. *Id.*

The G2S budget allows a \$20 disregard for unearned income and various earned income disregards. The G2S budget also factors ongoing medical expenses (which are applied toward a deductible), insurance premiums, and remedial services.

For an unknown reason, MDHHS only factored Petitioner's spouse's income in the G2S calculation. For purposes of this decision, the MDHHS calculation will be presumed to be correct because it will result in a more favorable determination for Petitioner's spouse. Petitioner's spouse's gross income was [REDACTED] (rounding to nearest dollar).

The deductible is calculated by subtracting the protected income level (PIL) from the MA net income. A PIL is a standard allowance for non-medical need items such as shelter, food and incidental expenses. The PIL for Petitioner's spouse's shelter area and group size is [REDACTED]. RFT 240 (December 2013), p. 1.

Subtracting the PIL, insurance expense, and \$20 disregard from Petitioner's spouse's group's income results in a monthly deductible of [REDACTED] the same amount calculated by MDHHS. It is found that MDHHS properly determined Petitioner's spouse's MA eligibility.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner's spouse's MA eligibility, effective July 2016, to be Medicaid subject to a [REDACTED]/month deductible. The actions taken by MDHHS are **AFFIRMED**.

*Christian Gardocki*

CG/hw

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**Christian Gardocki**  
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]

**Petitioner**

[REDACTED]

**Authorized Hearing Rep**

[REDACTED]