



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: September 14, 2016
MAHS Docket No.: 16-010471
Agency No.: [REDACTED]
Petitioner: [REDACTED].

ADMINISTRATIVE LAW JUDGE: Eric J. Feldman

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 September 1, 2016, from Detroit, Michigan. The Petitioner was represented by [REDACTED]. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearings Facilitator.

ISSUES

Did the Department properly provide Petitioner with Medical Assistance (MA) coverage he is eligible to receive from August 1, 2016?

Did the Department properly calculate Petitioner's MA – Group 2 Spend-Down (G2S) deductible effective [REDACTED]?

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 is an ongoing recipient of MA benefits.
2. On [REDACTED], Petitioner submitted his redetermination for MA benefits. Exhibit A, pp. 1 and 14.
3. On [REDACTED], the Department sent Petitioner a Verification Checklist (VCL). Exhibit A, pp. 1 and 11.

4. On [REDACTED], Petitioner submitted the requested verifications. Exhibit A, pp. 1 and 14.
5. Petitioner's group size is one, he resides in [REDACTED] County, and he receives [REDACTED] in monthly Retirement, Survivors, and Disability Insurance (RSDI) income. Exhibit A, pp. 1 and 12.
6. On [REDACTED], the Department processed Petitioner's redetermination, which resulted in him being eligible for full Medicare Savings Program (MSP) coverage and for full MA coverage, but with a monthly deductible. Exhibit A, p. 1 (Hearing Summary).
7. On [REDACTED], the Department sent Petitioner a Health Care Coverage Determination Notice (determination notice) notifying him that he was eligible for MA benefits effective August 1, 2016, ongoing (with a [REDACTED] monthly deductible), and for full coverage MSP benefits effective [REDACTED]. Exhibit A, pp. 5-10.
8. On [REDACTED], Petitioner filed a hearing request, protesting the Department's actions. Exhibit A, pp. 2-3.

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.

Preliminary matter

Based on Petitioner's hearing request and testimony, the undersigned will address the following issues separately: (i) whether the Department processed Petitioner's eligibility for the most beneficial MA category for [REDACTED]; and (ii) whether the Department properly calculated Petitioner's G2S deductible effective [REDACTED].

Most Beneficial Program

In the present case, Petitioner argued that the deductible coverage provided by the Department was inadequate. See Exhibit A, p. 3. Petitioner indicated multiple medical

conditions that he suffers from, including mental health issues for which he is unable to see his psychotherapist due to the high deductible. See Exhibit A, p. 3 (Hearing Request). Petitioner is 41-years-old, his children do not reside with him, he receives Medicare coverage, and he receives a monthly gross RSDI income of [REDACTED].

Persons may qualify under more than one MA category. BEM 105 (July 2016), p. 2. Federal law gives them the right to the most beneficial category. BEM 105, p. 2. The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. BEM 105, p. 2.

Based on the foregoing information, the evidence and testimony is persuasive to conclude that the Department acted in accordance with Department policy when it processed Petitioner's eligibility for the most beneficial MA category for [REDACTED], ongoing. BEM 105, pp. 2-5. In this case, Petitioner's most beneficial MA category was G2S based on the evidence and testimony presented.

MA – G2S deductible

Next, Petitioner may still receive MA benefits subject to a monthly deductible through the G2S program. In this case, Petitioner was found eligible for G2S subject to a [REDACTED] deductible. The undersigned will now determine if the Department properly calculated Petitioner's G2S budget.

In the present case, the Department presented the G2S budget for September 2016 for review, rather than the August 2016 budget. Exhibit A, p. 13. The Department credibly testified that the September 2016 budget represented the same calculations for the MA deductible for August 2016. As such, the undersigned review the September 2016 deductible budget to determine if the Department properly calculated Petitioner's G2S deductible effective August 1, 2016, ongoing.

G2S is an SSI-related Group 2 MA category. See BEM 166 (July 2013), p. 1. BEM 166 outlines the proper procedures for determining G2S eligibility. BEM 166, p. 1.

In this case, the Department properly calculated Petitioner's gross total unearned income to be [REDACTED], which consisted of his RSDI income. Exhibit A, p. 13 and BEM 503 (July 2016), p. 28 (The Department counts the gross benefit amount as unearned income).

The Department then properly subtracted the \$20 disregard to establish Petitioner's total net unearned income of [REDACTED]. Exhibit A, p. 13 and BEM 541 (January 2016), p. 3.

Next, the Department does provide budget credits, which can reduce the total net income and more importantly, the deductible amount. However, Petitioner did not dispute any of these credits (i.e., insurance premiums). Exhibit A, p. 13. As such, the

Department properly determined that Petitioner's countable income was [REDACTED]. Exhibit A, p. 13.

Finally, individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105, p. 1; BEM 166, p. 2; BEM 544 (July 2016), p. 1; and RFT 240 (December 2013), p. 1. In this case, Petitioner indicated that he lives with additional group members (i.e., his brother); thus, he inquired if the calculation of his group size should be higher in order to include these additional family members. However, BEM 211 states that an adult's fiscal group is the adult and his spouse. BEM 211 (January 2016), p. 8. Petitioner testified that he is divorced. As such, Petitioner's MA fiscal group size is only one. BEM 211, p. 8. The monthly PIL for an MA group of one living in [REDACTED] County is [REDACTED] per month. RFT 200 (December 2013), pp. 1-2 and RFT 240, p. 1. Moreover, an individual whose monthly income is in excess of [REDACTED] may become eligible for assistance under the deductible program, with the deductible being equal to the amount that the group's monthly income exceeds the PIL. BEM 545 (July 2016), p. 1.

Based on the above policy, Petitioner's countable income of [REDACTED] for MA purposes exceeds the monthly protected income level of [REDACTED] by [REDACTED] Exhibit A, p. 13. Thus, the Department properly calculated Petitioner's G2S deductible to be [REDACTED] effective [REDACTED], in accordance with Department policy.

DECISION AND ORDER

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 (i) the Department acted in accordance with Department policy when it processed Petitioner's eligibility for the most beneficial MA category for [REDACTED], ongoing; and (ii) the Department acted in accordance with Department policy when it properly calculated Petitioner's MA – G2S deductible amount of [REDACTED] effective [REDACTED].

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

EJF/hw


Eric J. Feldman

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]