



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 9, 2016
MAHS Docket No.: 16-010623
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton

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], Hearing Facilitator and [REDACTED] Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's eligibility for 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. Petitioner is an ongoing MA recipient.
2. Petitioner submitted a completed Redetermination on or about [REDACTED].
3. In the Redetermination, Petitioner indicated that both she and her daughter receive income from the Social Security Administration.
4. Prior to the receipt of the Redetermination, the Department had not budgeted the unearned income in determining Petitioner's eligibility for MA benefits.

5. On [REDACTED], the Department sent Petitioner a Health Care Coverage Determination Notice which notified Petitioner that she was eligible for MA benefits subject to a [REDACTED] deductible.
6. On [REDACTED] Petitioner filed a Request for Hearing disputing 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.

G2C is a FIP-related Group 2 MA category. BEM 135 (October 2015), p. 1. MA is available to parents and other caretaker relatives who meet the eligibility factors in this item. BEM 135, p. 1. All eligibility factors must be met in the calendar month being tested. BEM 135, p. 1.

Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. BEM 135, p. 2. The Department applies the MA policies in BEM 500, 530 and 536 to determine net income. BEM 135, p. 2. If the net income exceeds Group 2 needs, MA eligibility is still possible. BEM 135, p. 2.

The Department also uses the fiscal group policies for FIP-related groups in BEM 211. BEM 135, p. 2. BEM 211 states a child's income cannot be used to determine a parent's eligibility. BEM 211 (January 2016), p. 5. In summary, the Department will only use both the Petitioner's income in the G2C calculation. See BEM 211, p. 5.

Additionally, BEM 536 outlines a multi-step process to determine a fiscal group member's income. BEM 536 (April 2016), p. 1. In this case, a fiscal group is established for each person requesting MA and budgetable income is determined for each fiscal group member. BEM 536, p. 1. Petitioner is disputing the determination of eligibility for her MA benefits and not her daughter. Therefore, a budgetable income will be determined for Petitioner only and will not include her daughter's income. See BEM 536, p. 1.

It is not disputed the Petitioner receives [REDACTED] in RSDI income. The Department will then determine the number of dependents living with the fiscal group member. BEM 536, p. 4. The Department does not count the member being processed as a dependent. BEM 536, p. 4. Petitioner's number of dependents is one. The Department then adds 2.9 to Petitioner's number of dependents (one), which results in a prorate divisor of 3.9. BEM 536, p. 4. The Department will then divide the person's total net income by the prorate divisor, which results in the adult's prorated share amount of [REDACTED] ([REDACTED] net income divided by 3.9 prorate divisor). BEM 536, p. 4.

Then, an adult's fiscal group's net income is the total of the following amounts:

- The adult's net income ("Fiscal Group Member's Total Net Income") if the adult has no dependents or 2.9 prorated shares of the adult's own income if the adult has dependents (adult's "Step 13" times 2.9), plus
- If the spouse is in the adult's fiscal group:
 - 3.9 prorated shares of the spouse's own income (spouse's "Step 13" times 3.9), plus
 - one prorated share of the adult's (person requesting MA) income (adult's amount from "**Step 13**").

Note: This is the couple's share of each other's income. BEM 536, pp. 6-7.

Applying the above policy, the Department calculated an adult's share of adult's own income of [REDACTED] ([REDACTED] times 2.9). See BEM 536, p. 6. Petitioner pays her Part B Medicare Insurance premium in the amount of [REDACTED], which is deducted from the Adult's share of adult's own income total of [REDACTED]. It should be noted that the Department deducted [REDACTED] instead of [REDACTED] but this is considered harmless error, as it did not affect the overall calculation. Therefore, the total net income is [REDACTED]. BEM 536, pp. 1-7; and BEM 544, pp. 1-2.

Finally, clients are eligible for full MA coverage when net income does not exceed applicable Group 2 MA protected income levels (PIL) based on the client's shelter area and fiscal group size. BEM 544, p. 1; RFT 240 (December 2013), p. 1; and RFT 200 (December 2013), pp. 1-2. Additionally, the PIL only includes the client and his/her spouse. In this case, the monthly PIL for an MA group of one (Petitioner only, as she is not married) living in [REDACTED] County is [REDACTED] per month. RFT 200, pp. 1-2; RFT 240, p. 1.

An individual whose income is in excess of the applicable monthly PIL may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that the individual's monthly net income exceeds the applicable PIL. BEM 135, p. 2 and BEM 545 (July 2013), p. 2. Because Petitioner's monthly total net income of [REDACTED] exceeds the [REDACTED] PIL by [REDACTED], the Department acted in accordance with Department policy when it concluded that Petitioner was eligible for MA coverage under the G2C program with a monthly deductible of [REDACTED] effective August 1, 2016, ongoing.

DECISION AND ORDER

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

JM/hw



Jacquelyn A. McClinton
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]