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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

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Date Mailed: September 26, 2016
MAHS Docket No.: 16-011057
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 22, 2016, from Detroit, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by ██████████, Eligibility Specialist.

ISSUE

Did the Department properly determine that Petitioner was eligible for Medicaid (MA) subject to a ██████████ deductible effective August 1, 2016?

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 October 13, 2015, Petitioner applied for MA (Exhibit A, pp. 8-13).
2. Petitioner has an ██████████ birthdate (Exhibit A, p. 9).
3. On October 13, 2015, the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that she was approved for full-coverage MA (Exhibit A, pp. 14-15).
4. Effective July 2016, Petitioner began receiving ██████████ in monthly Retirement, Survivors and Disability Insurance (RSDI) income (Exhibits 1, 2, and 3).

5. Petitioner is not a Medicare recipient (Exhibit A, p. 4).
6. On June 24, 2016, the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that effective August 1, 2016, she was eligible for MA subject to a monthly [REDACTED] deductible (Exhibit A, p. 3).
7. On August 26, 2016, the Department received Petitioner's request for hearing disputing her MA deductible.

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.

Petitioner requested a hearing to dispute the closure of her full-coverage MA case and the application of MA coverage subject to a monthly [REDACTED] deductible. Because Petitioner is less than 65 years old and does not receive Medicare, she is eligible for MA coverage under the HMP program if she is income eligible. BEM 137 (January 2016), p. 1. Petitioner, who receives RSDI benefits based on a disability, is also eligible for SSI-related MA, which is Medicaid for disabled individuals. BEM 105 (July 2016), p. 1; BEM 260 (July 2015), pp. 1-2. A disabled person in Petitioner's circumstances, with RSDI income who is not working, is eligible for SSI-related MA under the full coverage AD-Care program if she is income-eligible or, if she has excess income, under a Group 2 SSI-related (G2S) program, with MA subject to a deductible. BEM 163 (July 2013), p. 1. BEM 166 (July 2013), p. 1. Under federal law, if Petitioner qualifies under more than one MA category, she has the right to the most beneficial category, which is the one that results in eligibility, excess income, or the lowest cost share. BEM 105 (July 2016), p. 2.

For SSI-related MA purposes, Petitioner, who is unmarried, has a fiscal group size of one. BEM 211 (January 2016), p. 8. A single-member MA group is eligible for AD-Care if she has net monthly income that does not exceed 100% of the poverty level, or [REDACTED]. <https://aspe.hhs.gov/poverty-guidelines>; RFT 242 (April 2016), p. 1. When Petitioner's

gross monthly income RSDI income of [REDACTED] is reduced by a [REDACTED] disregard, Petitioner has net income of [REDACTED]. See BEM 541 (January 2016), p. 3. Because her net income exceeds the AD-Care net income limit, she is not eligible for MA under the AD-Care program.

Income eligibility for MA under the HMP program is based on the MAGI methodology. BEM 137, p. 1. An adult with income under 133% of the FPL for her group size is HMP eligible. A determination of group size under the MAGI methodology requires consideration of the client's tax status and dependents. In this case, based on Petitioner's October 2015 application, Petitioner has no tax dependents. Accordingly, she has a household size of one for MAGI purposes. BEM 211 (January 2016), pp. 1-2. 133% of the annual FPL in 2016 for a household with one member is [REDACTED]. <https://aspe.hhs.gov/poverty-guidelines>. This results in a monthly income limit of [REDACTED] ([REDACTED] divided by 12).

Although Petitioner's SOLQ report, which shows information from the Social Security Administration (SSA) retrievable by the Department, shows that Petitioner was eligible for benefits as of November 2015 (Exhibit A, pp. 4-6), Petitioner began receiving monthly RSDI income of [REDACTED] in June 2016, as reflected in the letters sent to her by the SSA (Exhibits 1, 2, 3). The letter dated June 17, 2016 shows that Petitioner was eligible for RSDI from November 2015 and a lump sum payment of [REDACTED] was released to her around June 25, 2016 as payment for benefits between November 2015 and April 2016. However, lump sum payments are counted as income only in the month received. 42 CFR 435.603(e)(1). As such, the [REDACTED] payment does not affect Petitioner's eligibility for August 2016 ongoing. However, because Petitioner's monthly RSDI income of [REDACTED] exceeds the [REDACTED] HMP monthly income limit, Petitioner is not income eligible for HMP.

Although Petitioner is not eligible for full-coverage MA under the HMP program or under AD-Care due to excess income, because she is disabled, she is eligible for G2S MA coverage, which provides for MA coverage with a deductible. BEM 105, p. 1. The deductible is in the amount that the client's net income (less any allowable needs deductions) exceeds the applicable Group 2 MA protected income level (PIL), which is based on the client's county of residence and fiscal group size. BEM 105, p. 1; BEM 166 (July 2013), p. 2; BEM 544 (July 2016), p. 1; RFT 240 (December 2013), p. 1.

The monthly PIL for a client in Petitioner's position, with an MA fiscal group size of one living in [REDACTED] County, is [REDACTED]. RFT 200 (December 2013), pp. 1-2; RFT 240, p. 1. Thus, if Petitioner's monthly net income (less allowable needs deductions) is in excess of [REDACTED], Petitioner may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly net income, less allowable deductions, exceeds [REDACTED]. BEM 545 (July 2016), pp. 2-3.

In this case, the Department presented an SSI-related MA budget showing the calculation of Petitioner's deductible (Exhibit A, p. 7). As discussed above, Petitioner's

net income for MA purposes is [REDACTED]. Net income is reduced by health insurance premiums paid by the MA group and by remedial service allowances for individuals in adult foster care or home for the aged. BEM 544, pp. 1-3. Petitioner testified that she was not receiving Medicare, and, consistent with her testimony, her SOLQ report showed that she was not a Medicare recipient. Petitioner testified that she had no health insurance premiums she was responsible to pay. Because Petitioner did not reside in adult foster care or home for the aged, she was also not eligible for any other allowable need expenses. Because Petitioner was not eligible for any allowable need deductions, her net income of [REDACTED] is also her countable income. Because Petitioner's countable income of [REDACTED] exceeded the applicable [REDACTED] PIL by [REDACTED], the Department acted in accordance with Department policy when it concluded that Petitioner was eligible for G2S MA coverage subject to a monthly [REDACTED] deductible.

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 the Department acted in accordance with Department policy when it determined that Petitioner was eligible for MA subject to a [REDACTED] monthly deductible.

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

ACE/tlf



Alice C. Elkin

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]

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Via Email:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]