



RICK SNYDER  
GOVERNOR

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

MIKE ZIMMER  
DIRECTOR

[REDACTED]

Date Mailed: March 24, 2016  
MAHS Docket No.: 16-000999  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris**

### **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 March 23, 2016, from Detroit, Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator; and [REDACTED], Case Manager.

### **ISSUE**

Did the Department properly close the Petitioner's Medicaid (MA) and place the Petitioner on an MA deductible in the amount of \$ [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. The Department issued a Health Care Coverage Determination Notice on December 1, 2015, which advised the Petitioner that she was eligible ongoing for MA with a monthly deductible of \$ [REDACTED] Exhibit 2.
2. The Petitioner receives Retirement, Survivors and Disability Insurance (RSDI) in the amount of \$ [REDACTED] monthly. The Petitioner's Medicare part B premium is paid for by the State of Michigan. No other health care premium was provided or verified by the Petitioner at the time her eligibility was determined.
3. The Petitioner requested a timely hearing request on January 12, 2016.

## 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 Department changed the Petitioner's MA to a spenddown in the amount of \$ [REDACTED] based upon her RSDI income of \$ [REDACTED]. The Petitioner confirmed the amount of her income was correct, and a spenddown budget was reviewed at the hearing.

The income limit for eligibility for full Medicaid is determined by RFT 242. The income limit at the time the Petitioner's budget was completed was \$ [REDACTED] RFT 242 (April 1, 2016), p. 1. Because the Petitioner's income was \$ [REDACTED] the Petitioner's income exceeded the income limit for full MA (Ad Care); and she was subject to having a deductible imposed. The income limit for full MA changes again in April 2016; and at that time, the income limit will be \$ [REDACTED] and thus, at that time, the Department should review the Petitioner's MA eligibility for full MA once again as her income may no longer exceed the income limit for MA.

Clients are eligible for Group 2 MA coverage when their net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA Protected Income Levels (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (October 1, 2010), p. 1; BEM 166 (October 1, 2010), pp. 1-2; BEM 544 (August 1, 2008), p. 1; RFT 240 (July 1, 2007), p. 1. The monthly PIL for an MA group size of one living in Wayne County is \$ [REDACTED] per month. RFT 200 (July 1, 2007), p. 1; RFT 240, p. 1. Thus, if Petitioner's net income is in excess of \$ [REDACTED] she may become eligible for MA under the deductible program, with the deductible equal to the amount that her monthly income exceeds \$ [REDACTED] BEM 545 (July 1, 2011), p. 2.

Policy also provides that when completing a Supplemental Security Income (SSI)-related MA budget for adults, the following items be considered and applied: Department policy requires that the cost of any health insurance premiums be included when budgeting a spend down.

Count as a need item the cost of any health insurance premiums (including vision and dental insurance) and Medicare premiums paid by the **medical group** (defined in “**EXHIBIT I**”) regardless of who the coverage is for. BEM 544 (July 1, 2013), p.1.

In this case, the Department produced an SSI-Related MA budget showing how the deductible in Petitioner’s case was calculated. Exhibit 1. As discussed above, Petitioner’s net unearned income totaled \$ [REDACTED] and after deducting a \$ [REDACTED] general exclusion, was \$ [REDACTED] BEM 530 (October 1, 2012), p. 1; BEM 541 (January 1, 2011), p. 3. The evidence at the hearing showed that Petitioner had not presented the Department with any medical expenses at the time the budget was prepared. Although the Petitioner said she had an additional insurance premium that she paid, the Department had no record or verification of the premium. The medical deductible is then determined by subtracting \$ [REDACTED] from the countable income of \$ [REDACTED] leaving a deductible spenddown amount of \$ [REDACTED]. The budget as presented is correct as is the spenddown 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 changed the Petitioner’s MA from full Medicaid to a spenddown in the amount of \$ [REDACTED].

**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]

**Petitioner**

[REDACTED]

**cc:**

[REDACTED]