



RICK SNYDER
GOVERNOR

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

MIKE ZIMMER
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: April 1, 2016
MAHS Docket No.: 16-001063
Agency No.: [REDACTED]
Petitioner: [REDACTED]

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

ISSUE

Did the Department properly calculate and notify Petitioner that she was eligible for Medicaid (MA) subject to a monthly \$439 deductible?

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 was the ongoing recipient of MA benefits under the Group 2 Caretaker (G2C) program (Exhibit A, p. 16).
2. Petitioner is a widow living in Wayne County with her two children: J, born [REDACTED], and B, born [REDACTED].
3. Petitioner receives gross monthly Retirement, Survivors and Disability Insurance (RSDI) income of \$1099; her children each also receive gross monthly RSDI income of \$1099 (Exhibit A, pp. 5-10).

4. In December 2015, J turned ■ years old.
5. Effective December 1, 2015, the Department increased Petitioner's monthly deductible from \$274 to \$439 (Exhibit A, p. 16).
6. On January 25, 2016, the Department received Petitioner's written 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.

Petitioner requested a hearing to dispute the calculation of her monthly MA deductible. The Department testified that Petitioner's deductible increased from \$274 to \$439 effective December 1, 2015. While the Department could not establish whether or when Petitioner was advised of the increased deductible in writing, the evidence at the hearing established that Petitioner was made aware of the increase and her right to a hearing was preserved. Therefore, this Hearing Decision reviews the calculation of the deductible amount.

The Department's evidence established that Petitioner was eligible for MA coverage under the G2C program. Group 2 eligibility for MA coverage is possible even when net income exceeds the income limit for full MA coverage. BEM 105 (October 2014), p. 1. In such cases, the client is eligible for MA coverage with a deductible, with the deductible equal to the amount the individual's net income (countable income minus allowable income deductions) exceeds the applicable Group 2 MA protected income level (PIL). The PIL is based on the client's shelter area (county in which the client resides) and fiscal group size. BEM 135 (October 2015), p. 2; BEM 544 (July 2013), p. 1; RFT 240 (December 2013), p. 1.

Petitioner, who is widowed, has an MA fiscal group size of one. BEM 211 (January 2015), pp. 5-6. Because she lives in Wayne County, her PIL is \$375. RFT 200

(December 2013); RFT 240, p. 1. Thus, if her net income, calculated in accordance with BEM 536 (January 2014), pp. 1-7, less any allowable needs deduction, exceeds \$375, she is eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly income exceeds \$375.

The Department presented a copy of the G2-FIP related MA net income budget showing the calculation of Petitioner's monthly deductible. The budget shows that Petitioner's prorated income was \$281. An adult client's prorated income is determined by dividing the client's budgetable income, calculated in accordance with BEM 536, pp. 1-4, by the client's prorate divisor, which is the sum of 2.9 and the number of dependents living with the client. BEM 536, p. 4. Dependent means the client's spouse and unmarried children under age 18. BEM 536, p. 4. In this case, in December 2015, Petitioner's daughter J turned ■ leaving B as the sole dependent child living with Petitioner. Because Petitioner has one dependent and no spouse, her prorate divisor is 2.9 plus one, or 3.9.

For purposes of determining an adult's eligibility for Group 2 MA, only the income for the adult and her spouse, if any, is considered. BEM 211, p. 5. Petitioner, who is widowed, confirmed that her sole income was her gross monthly \$1099 in RSDI income. For purposes of BEM 536, Petitioner's net income is \$1099. BEM 536, p. 4. Therefore, Petitioner's prorated income is \$1099 divided by 3.9, or \$281 as shown on the budget.

For MA purposes, the fiscal *group's* net income for an adult where there is no spouse in the fiscal group is the adult's net income if the adult has no dependents **or** 2.9 prorated shares of the adult's own income if the adult has dependents. In this case, because Petitioner has a dependent in the household, her group's net income is 2.9 times \$281, or \$814 as shown on the budget. There was no evidence presented that Petitioner was eligible for any allowable needs deductions to this income for health insurance premiums (which includes Medicare premiums paid by the household) or remedial services for individuals in adult foster care home or home for the aged. BEM 544, pp. 1-2.

Because Petitioner's group's net income of \$814 exceeds the applicable \$375 PIL by \$439, the Department acted in accordance with Department policy when it determined that Petitioner was eligible for MA coverage subject to a monthly \$439 deductible.

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 monthly \$439 deductible.

DECISION AND ORDER

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

Hearings Coordinator
26355 Michigan Ave.
Inkster, MI
48141

Petitioner

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

Via Electronic Mail:

BSC4 Hearing Decisions
EQAD
Michelle Best
MAHS