



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: April 19, 2016  
MAHS Docket No.: 16-002226  
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 April 11, 2016, from Detroit, Michigan. The Petitioner was represented by Petitioner. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED] Hearing Facilitator.

### **ISSUE**

Did the Department properly approve Petitioner's MA benefits subject to a 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 is an ongoing MA recipient.
2. Petitioner submitted a Redetermination which was received by the Department on [REDACTED].
3. Petitioner also submitted her award letter from the Social Security Administration office.
4. On [REDACTED] the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that she had been approved for MA benefits subject to a deductible.

5. 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.

On [REDACTED], the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that she was eligible for MA subject to a \$614.00 deductible effective [REDACTED] ongoing. MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for HMP coverage. BEM 105 (October 2014), p. 1; BEM 137 (January 2016), p. 1. HMP provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income at or below 133% of the federal poverty level (FPL) under the Modified Adjusted Gross Income (MAGI) methodology; (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. MPM, Healthy Michigan Plan, § 1.1.

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The Medicaid Effective Date on Petitioner's SOLQ reports, which show information concerning clients' SSA benefits accessible to the Department, showed that she became eligible for Medicaid Part A and Part B Premiums on [REDACTED]. Therefore, as a result of Medicaid eligibility, Petitioner is not eligible for HMP coverage and eligible only for SSI-related MA.

In determining the SSI-related MA coverage Petitioner is eligible for, the Department must determine their MA fiscal group size and net income for MA purposes. The Department confirmed that Petitioner has a group size of one. A fiscal group with one member is eligible for MA coverage under the Ad-Care program, a full-coverage SSI-related MA program, if the group's net income does not exceed 100% of the federal poverty level. BEM 163 (July 2013), p. 1. BEM 163, p. 2 provides that income eligibility exists when net income does not exceed the income limit in RFT 242. Under RFT 242 (May 2015), the income limit for Ad-Care eligibility for a one-person household is \$1,000.83 (which includes a \$20.00 disregard). If the \$20.00 disregard is removed, the net income limit is \$980.83. However, effective April 1, 2016, the income limit for a two-person household is \$1010.00; \$990.00 when the \$20.00 disregard is removed. RFT 242 (April 2016), p. 1. This is consistent with 100% of the 2016 FPL. <https://aspe.hhs.gov/poverty-guidelines>.

In this case, at the time the Health Care Coverage Determination Notice was issued, Petitioner had gross monthly income of \$1,009.00. The Department deducted the \$20.00 disregard which brought Petitioner's net income to \$989.00. Accordingly, Petitioner's net monthly income exceeds the \$980.83 net income under the poverty guidelines for Ad-Care eligibility that applies through March 2016. Therefore, the Department acted in accordance with Department policy in effect at the time Petitioner's MA eligibility determination was made when it determined that Petitioner was not eligible for full-coverage MA under the Ad-Care program for December 1, 2015 ongoing. However, Petitioner may be eligible for full MA coverage with no deductible beginning April 2016 if she does not have an increase in income.

Petitioner may be eligible for Group 2 SSI-related (G2S) MA coverage, which provides for MA coverage with a deductible. Clients are eligible for Group 2 MA coverage when their net income less any allowable needs deductions exceeds the applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (December 2014), p. 1; BEM 166 (July 2013), p. 2; BEM 544 (July 2013), p. 1; RFT 240 (December 2013), p. 1. In such cases, the client is eligible for Group 2 MA coverage under the deductible program with the deductible equal to the amount that the client's monthly income exceeds the PIL. BEM 545 (October 2015), p. 10.

The monthly PIL for an MA fiscal group size of one living in [REDACTED] County is \$375.00 per month. RFT 200 (December 2013), pp. 1-2; RFT 240, (December 2013) p 1. Thus, if Petitioner's net income is in excess of \$375.00, she may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly income exceeds \$375.00. There is no dispute that Petitioner's monthly

income exceeded \$375.00 and thus he is eligible for Group 2 MA benefits under the deductible program.

In this case, the Department presented an SSI-related MA budget showing the calculation of Petitioner's deductible (Exhibit E). As discussed above, Petitioner's net income for MA purposes is \$989.00 when the \$20.00 disregard is deducted from Petitioner's gross income. Net income is reduced by health insurance premiums paid by the MA group and remedial service allowances for individuals in adult foster care or home for the aged. BEM 544, pp. 1-3. However, according to the SOLQ at the time the decision was made, the State of Michigan was paying the \$104.90 Part B Medicare premium. Accordingly, Petitioner was not entitled to a deductible for this expense. Because Claimant's net income of \$989.00 exceeds the \$375.00 PIL by \$614.00, the Department acted in accordance with it concluded Claimant is eligible for MA subject to a \$614.00 deductible.

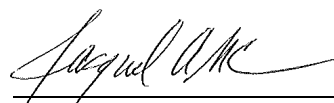
It should be noted that at the hearing, Petitioner asserted that she is now required to pay the Part B Premium. If so, Petitioner is entitled to this deduction. However, the undersigned's review is limited to whether the Department act properly at the time it issued the [REDACTED] Health Care Coverage Determination Notice.

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 approved Petitioner's MA coverage subject to a \$14.00 deductible.

### **DECISION AND ORDER**

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

JM/hw



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**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]