



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 14, 2016
MAHS Docket No.: 16-010509
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Eric J. Feldman

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] (Petitioner). The Department of Health and Human Services (Department) was represented by [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly calculate Petitioner's Medical Assistance (MA) – Group 2 Spend-Down (G2S) deductible effective July 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. Petitioner is an ongoing recipient of MA benefits.
2. On [REDACTED], Petitioner submitted her redetermination for the MA and Medicare Savings Program (MSP) benefits. Exhibit A, p. 5.
3. Petitioner's group size is one, she resides in [REDACTED] County, and she receives [REDACTED] in monthly Retirement, Survivors, and Disability Insurance (RSDI) income. Exhibit A, pp. 6 and 10.

4. On [REDACTED], the Department processed Petitioner's redetermination, which resulted in her being eligible for full MSP coverage under the Specified Low-Income Medicare Beneficiaries (SLMB) program, and Petitioner being eligible for full MA coverage, but with a monthly deductible. Exhibit A, p. 1 (Hearing Summary).
5. On [REDACTED] the Department sent Petitioner a Health Care Coverage Determination Notice (determination notice) notifying her that she was eligible for MA benefits effective [REDACTED], ongoing (with a [REDACTED] monthly deductible), and she was eligible for full coverage MSP benefits effective [REDACTED]. Exhibit A, p. 11.
6. On [REDACTED], Petitioner filed a hearing request, protesting the Department's actions. Exhibit A, pp. 2-3.

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.

Preliminary matter

Shortly after commencement of the hearing, Petitioner testified that she is no longer disputing her MSP benefits because she is receiving full coverage under the SLMB program. Exhibit A, pp. 9 and 11; and BEM 165 (January 2016), pp. 1-9. As such, Petitioner's MSP hearing request is DISMISSED. Instead, Petitioner testified that she is only disputing whether the Department properly calculated her G2S deductible effective [REDACTED], which the undersigned addresses below:

MA – G2S deductible

In the present case, the Department presented the G2S budget for August 2016 for review, rather than the July 2016 budget. Exhibit A, p. 10. The Department credibly testified that the August 2016 budget represented the same calculations for the MA deductible for July 2016. As such, the undersigned review the August 2016 deductible

budget to determine if the Department properly calculated Petitioner's G2S deductible effective [REDACTED], ongoing.

G2S is an SSI-related Group 2 MA category. See BEM 166 (July 2013), p. 1. BEM 166 outlines the proper procedures for determining G2S eligibility. BEM 166, p. 1.

In this case, the Department properly calculated Petitioner's gross total unearned income to be [REDACTED], which consisted of her RSDI income. Exhibit A, p. 6 and BEM 503 (July 2016), p. 28 (The Department counts the gross benefit amount as unearned income).

The Department then properly subtracted the \$20 disregard to establish Petitioner's total net unearned income of [REDACTED]. Exhibit A, p. 10 and BEM 541 (January 2016), p. 3.

Next, the Department does provide budget credits, which can reduce the total net income and more importantly, the deductible amount. However, it was not disputed that Petitioner was not eligible for any of these credits (i.e., insurance premiums). Exhibit A, p. 10. As such, the Department properly determined that Petitioner's countable income was [REDACTED]. Exhibit A, p. 10.

Finally, individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105 (July 2016), p. 1; BEM 166, p. 2; BEM 544 (July 2016), p. 1; and RFT 240 (December 2013), p. 1. The monthly PIL for an MA group of one living in [REDACTED] County is [REDACTED] per month. RFT 200 (December 2013), pp. 1-2 and RFT 240, p. 1. Moreover, an individual whose monthly income is in excess of [REDACTED], may become eligible for assistance under the deductible program, with the deductible being equal to the amount that the group's monthly income exceeds the PIL. BEM 545 (July 2016), p. 1.

Based on the above policy, Petitioner's countable income of [REDACTED] for MA purposes exceeds the monthly protected income level of [REDACTED] by [REDACTED]. Exhibit A, p. 10. Thus, the Department properly calculated Petitioner's G2S deductible to be [REDACTED] effective [REDACTED], in accordance with Department policy.

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 properly calculated Petitioner's MA – G2S deductible amount of [REDACTED] effective [REDACTED].

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

IT IS ALSO ORDERED that Petitioner's **MSP** hearing request is **DISMISSED**.

EF/hw



Eric J. Feldman

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]