



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: February 24, 2017  
MAHS Docket No.: 16-018934  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

### **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 [REDACTED]. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator. [REDACTED] appeared as [REDACTED] translator.

### **ISSUE**

The issue is whether MDHHS properly determined Petitioner's Medical Assistance (MA) eligibility.

### **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 an ongoing MA benefit recipient.
2. Petitioner was a member of a household that included his spouse, and 4 minor children.
3. Petitioner received \$ [REDACTED]/month in gross RSDI benefits.
4. Petitioner's spouse and 4 minor children each received \$ [REDACTED]/month in RSDI benefits.
5. Petitioner was a disabled individual.

6. Petitioner's RSDI was reduced by \$ [REDACTED] for payment of a Medicare premium.
7. On [REDACTED], MDHHS determined Petitioner was eligible for Medicaid subject to a \$ [REDACTED]/month deductible, effective [REDACTED].
8. On [REDACTED], Petitioner requested a hearing to dispute his MA eligibility.

### **CONCLUSIONS OF LAW**

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. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT). MAGI policies are found in the Medicaid Provider Manual and Modified Adjusted Gross Income Related Eligibility Manual (MAGIM).

Petitioner requested a hearing to dispute a determination of MA coverage. Petitioner's testimony conceded his dispute only concerned his own MA eligibility. MDHHS presented a Health Care Coverage Determination Notice (Exhibit 1, pp. 1-3). The notice stated Petitioner was eligible to receive Medicaid, subject to a \$ [REDACTED] monthly deductible. Petitioner testimony contended he should be eligible to receive Medicaid without any deductible.

Medicaid is also known as Medical Assistance (MA). BEM 105 (January 2016), p. 1. The Medicaid program comprise [sic] several sub-programs or categories. *Id.* To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

It was not disputed that Petitioner was disabled. It was also not disputed that Petitioner was a caretaker of minor children. Petitioner's circumstances potentially qualify him for Medicaid under numerous MA categories.

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

As a caretaker, Petitioner is potentially eligible for MA through Low-Income-Family (LIF). Adults with a dependent child and income under 54% of the Federal Poverty Level will be considered LIF eligible. BEM 110 (January 2014), p. 1. The 2016 FPL for a 6-person household is \$██████. The corresponding LIF income limit is \$██████. Petitioner's annual household income (\$██████) exceeds the income limit.

Many individuals receive MA through HMP. As a Medicare recipient, Petitioner is not eligible for Medicaid through HMP (see MAGIM (May 28, 2014), p. 40).

As a disabled and/or aged individual, Petitioner is potentially eligible to receive Medicaid through AD-Care. BEM 163 outlines the procedures for determining AD-Care eligibility.

[For all programs,] Bridges counts the gross benefit amount as unearned income. BEM 503 (July 2015), p. 28. Some exceptions to counting the gross benefit amount exist (e.g. Medicare premium refunds, returned benefits (see BEM 500), fees paid to qualified organizations acting as a payee...), though none were alleged to be applicable in the present case. Gross amount means the amount of RSDI before any deduction, such as Medicare. BEM 163 (July 2013), p. 2.

It was not disputed Petitioner received ████████ in gross RSDI benefits. Petitioner's spouse received ████████ in gross RSDI benefits.

MDHHS gives AD-Care budget credits for employment income, guardianship and/or conservator expenses and cost of living adjustments (COLA) (for January through March only). Petitioner did not allege any such factors were applicable.

Income eligibility for AD-Care exists when countable income does not exceed the income limit for the program. BEM 163 (October 2010), p. 1. The income limit for AD-Care for a two-person (Petitioner and spouse) MA group is \$██████. RFT 242 (April 2016), p. 1. It is found that MDHHS properly determined Petitioner to be ineligible for Medicaid under AD-Care.

Petitioner may still receive Medicaid subject to a monthly deductible through a Group 2 Medicaid category. Clients with a deductible may receive Medicaid if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses... that equal or exceed the deductible amount for the calendar month. BEM 545 (July 2016), p. 11.

Petitioner is potentially eligible for a deductible through Group 2- Spenddown (G2S) and Group 2- Caretaker (G2C) categories. G2C generally offers significantly lower deductibles than G2S. Thus, only Petitioner's G2C eligibility will be examined.

Income eligibility [for G2C] exists when net income does not exceed the Group 2 needs in BEM 544. BEM 135 (October 2015), p. 2. [MDHHS is to] apply the Medicaid policies in BEM 500, 530 and 536 to determine net income. *Id.*

The G2C net income calculation starts with determining Petitioner's pro-rated income. This is calculated by dividing Petitioner's income (██████████) by a pro-rated divisor. The pro-rated divisor is the sum of 2.9 and the number of dependents (four dependent child and a spouse). Petitioner's pro-rated income is ██████ (dropping cents). Petitioner's spouse's income of ██████ is also divided by 7.9 to determine her prorated income of ██████ (dropping cents).

Petitioner's pro-rated income is multiplied by 2.9 to determine his share of his own income; this amount is found to be ██████ (dropping cents). Petitioner's spouse's income is multiplied by 3.9 to determine the spouse's share of the spouse's own income (██████). Each spouse's share of their income (██████████) is added with the couple's share of each other's income (which is the same as Petitioner's pro-rated income of \$██████) to determine the total net income. The total running net income is ██████.

Deductions are given for insurance premiums, remedial services and ongoing medical expenses. MDHHS factored a Medicare premium cost of ██████████ this is subtracted from the total income to determine the net income (██████████). The income limit for G2C eligibility is ██████ (see RFT 240 (December 2013), p. 1). The amount that Petitioner's net income exceeds the income limit is the amount of deductible. Petitioner's deductible is calculated to be \$██████, the same amount as calculated by MDHHS (see Exhibit 1, p. 4).

During the hearing, Petitioner was asked if he had any reason to believe that MDHHS erred in determining his MA eligibility. Petitioner responded that MDHHS improperly factored his property tax obligation. There is no known relevant MDHHS policy stating that property taxes affect MA eligibility. It is found that MDHHS properly determined Petitioner's MA eligibility.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible for Medicaid, subject to a ██████ month deductible, effective ██████████. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



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**Christian Gardocki**  
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]  
[REDACTED]

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED]