



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]  
[REDACTED]

Date Mailed: March 6, 2017  
MAHS Docket No.: 17-000536

[REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE: Aaron McClintic**

**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 3-way telephone hearing was held on February 8, 2017, from Lansing, Michigan. The Petitioner was represented by his [REDACTED] [REDACTED] [REDACTED] [REDACTED]. The Department of Health and Human Services (Department) was represented by [REDACTED]. Petitioner’s sister and Authorized Representative [REDACTED] appeared and testified. [REDACTED] Eligibility Specialist testified for the Department. Department Exhibit 1, pp. 1-83 was received and admitted. Petitioner’s Exhibit A, pp.1-17 was received and admitted.

**ISSUE**

Did the Department properly deny Petitioner’s Medical Assistance (MA)-Disabled Adult Child (DAC) application?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On November 18, 2016, Petitioner applied for Medicaid as a Disabled Adult Child.
2. On November 30, 2016, the Michigan Department of Health and Human Services DAC Determination Unit found that Petitioner was “Not Eligible for MA as a DAC because: SSI eligibility ended due to his own earnings, NOT as the result of any start or increase of DAC RSDI benefits.” (Dept. Ex.1., p.53)

3. Petitioner receives RSDI as a Disabled Adult Child (DAC) pursuant to a decision issued on February 26, 2015. (Petitioner Ex. A. pp.1-9)
4. Petitioner received SSI prior to being determined to be a Disabled Adult Child. (Dept. Ex. A. pp.13-15)
5. On January 13, 2017, Petitioner requested hearing contesting the denial of MA-DAC coverage.

### **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.

#### **MA Only**

This is an SSI-related Group 1 MA category.

MA is available to a person receiving disabled adult children's (DAC) (also called Childhood Disability Beneficiaries' or CDBs') RSDI benefits under section 202(d) of the Social Security Act if he or she:

1. Is age 18 or older; and
2. Received SSI; and
3. Ceased to be eligible for SSI on or after July 1, 1987, because he became entitled to DAC RSDI benefits under section 202(d) of the Act or an increase in such RSDI benefits; and
4. Is currently receiving DAC RSDI benefits under section 202(d) of the Act; and

**Note:** To receive DAC RSDI a person must have a disability or blindness that began before age 22.

5. Would be eligible for SSI without such RSDI benefits.

The Social Security Administration notifies central office when SSI terminates for a person meeting the criteria in 1-4 above. Notification is via a code on State Data Exchange (SDX) tapes. Central office sends a memo (see EXHIBIT I) to the appropriate local office. See SSI TERMINATIONS in BEM 150.

All eligibility factors must be met in the calendar month being tested. If the month being tested is an L/H month and eligibility exists, go to BEM 546 to determine the post-eligibility patient-pay amount. BEM 158 (October 2014)

In this case, the Department determined that Petitioner was Not Eligible for MA as a DAC because: SSI eligibility ended due to his own earnings, NOT as the result of any start or increase of DAC RSDI benefits. Petitioner presented the Decision from his Social Security Administrative hearing that shows his SSI did not end due to his own earnings and did in fact begin as a result of his start of DAC RSDI benefits. Petitioner had employment earnings but the Social Security ALJ found those earnings to be below the threshold for substantial gainful activity after "impairment related work expenses". Petitioner's bank records show that he received the SSI amount prior to his receipt of DAC RSDI benefits in June 2015, in the amounts of \$875. (Dept. Ex. A. pp.13-15) Petitioner met the criteria for receipt of DAC-MA because he received SSI prior to his receipt of DAC-RSDI and his SSI did not end due to his own earnings. Therefore the Department's denial of MA-DAC was improper and incorrect. BEM 158

### **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 did not act in accordance with Department policy when it denied Petitioner's MA application based on being a Disabled Adult Child.

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reinstate and reprocess Petitioner's MA-DAC application back to the date of application.
2. Award MA-DAC benefit going back to the date of application if Petitioner is found otherwise eligible.



*Aaron McClintic*

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**Aaron McClintic**

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

[REDACTED]

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[REDACTED]  
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