



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

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Date Mailed: July 31, 2017
MAHS Docket No.: ██████████ 17-006065
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, an in person hearing was held on ██████████, from Inkster, Michigan. The Petitioner was represented by herself and her spouse, ██████████ also appeared. The Department of Health and Human Services (Department) was represented by ██████████, Hearing Facilitator.

ISSUE

Did the Department properly calculate and impose a Medical Assistance deductible on Petitioner?

FINDINGS OF FACT

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

1. The Petitioner completed a redetermination and was placed on a deductible ██████████ a month. The Petitioner had been receiving Healthy Michigan Plan (HMP) but was determined to be over the income limit. Exhibit D.
2. The Petitioner's husband receives RSDI from the Social Security Administration in the amount of ██████████. Petitioner's spouse also participates in the Freedom to Work Program and is eligible for full coverage medical assistance.

3. The MA fiscal group of Petitioner and her spouse received RSDI in the amount of [REDACTED] in earned income for a total of [REDACTED]. Exhibit A and Exhibit B.
4. The Petitioner's spouse provided 4 pay stubs and is paid weekly. Exhibit A.
5. The Department sent a Health Care Coverage Determination Notice on [REDACTED] finding Petitioner's spouse eligible for full coverage MA and Freedom to Work with a premium of [REDACTED].
6. The Department sent a Health Care Coverage Determination Notice to Petitioner [REDACTED] on [REDACTED] finding her eligible ongoing with a deductible of [REDACTED] Exhibit F.
7. The Petitioner requested a timely hearing on [REDACTED] protesting the Department's action.

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.

In this case, the Department reviewed the Petitioner's MA eligibility as part of a redetermination for [REDACTED] and found that based upon income received from RSDI of [REDACTED] and earned income from Petitioner's spouse of [REDACTED] Petitioner was no longer eligible for full coverage MA due to the group income exceeding the income limit for that program. The gross income amount for the Petitioner and her husband totaled [REDACTED] which amount was determined to be correct and confirmed by the Petitioner and his wife.

The Petitioner sought review of the Department's determination of a MA spenddown of [REDACTED] effective [REDACTED], which changed the Petitioner's coverage from HMP to a deductible.

The Department presented a MA spend down budget at the hearing which was reviewed.

(Medical Assistance Deductible Calculation)

Clients who are not eligible for full MA coverage because their net income exceeds the applicable Group 2 MA Protected Income Levels (PIL) based on their shelter area and fiscal group size, are eligible for MA coverage under the deductible program with the deductible equal to the amount their monthly net income exceeds the PIL. BEM 135 (October 1015), p. 2; BEM 544 (July 1, 2016), p. 1; BEM 545 (January 1, 2017), pp. 1-2; RFT 240 (December 1, 2013), p. 1.

Income eligibility for full coverage MA Ad Care requires:

Net income cannot exceed one hundred percent of the federal poverty level. The net income limit can be determined by subtracting twenty dollars from the income limits listed in table one of RFT 242 (April 2017, p.1.)-Income eligibility cannot be established with a patient-pay amount or by meeting a deductible. BEM 163 (January 2017), p. 1.

RFT 242 (April 1, 2017), p. 1 provides that the income limit for a group of two persons is ██████. The Petitioner's net income is ██████ and thus, Petitioner's group income exceeds the net income limit to be eligible for full coverage Ad Care. Thus, the Department was correct to apply to terminate full coverage MA based upon excess income and impose a deductible.

Income eligibility for full coverage MA exist for the calendar monthly tested when:

- There is no excess income.
- Allowable medical expenses (defined in **EXHIBIT I**) equal or exceed the excess income.

When **one** of the following equals or exceeds the group's excess income for the month tested, income eligibility exists **for the entire month**:

- Old bills (defined in EXHIBIT IB).
- Personal care services in clients home, (defined in Exhibit IDH), Adult Foster Care (AFC), or Home for the Aged (HA) (defined in EXHIBIT ID).
- Hospitalization (defined in EXHIBIT IC).
- Long-term care (defined in EXHIBIT IC).

When **one** of the above does **not** equal or exceed the group's excess income for the month tested, income eligibility begins either:

- **The exact day of the month** the allowable expenses **exceed** the excess income.
- **The day after the day of the month** the allowable expenses **equal** the excess income. BEM 545, p.1.

The fiscal group's monthly excess income is called a deductible amount. BEM 545, p. 11.

A deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545, p. 10. The fiscal group's monthly excess income is called a deductible amount. BEM 545, p. 11. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, p. 11.

The monthly PIL for an MA group of one (Petitioner) living in ██████ County is ██████ BEM 211 (████████████████████), p. 5; RFT 200 (████████████████████), p. 2; RFT 240, p. 1. Therefore, Petitioner's MA coverage is subject to a deductible if Petitioner's monthly net income, based on gross income, is greater than ██████

In this case the Department found Petitioner's husband eligible for full coverage MA based upon the Freedom to Work eligibility requirements. The Petitioner is not eligible for this program because she is not deemed disabled according to the disability standards of the Social Security Administration and an individual must be employed. BEM 174 (January 2017), p. 1.

At the hearing, the Petitioner's MA deductible budget was also reviewed to determine if the deductible in the amount of ██████ was correct. Exhibit D. The Department used the correct earned income of ██████ and correctly credited the Petitioner with an earned income general exclusion of ██████. ██████). The net earned income is ██████. ██████) The Department also credited the Petitioner with a ██████ unearned income general exclusion and leaving countable unearned income of \$ ██████ ██████. In the budget presented the Petitioner did not present any medical bills which will also cause a reduction in the deductible spenddown amount but only when bills are presented to the Department. The last step to determine the deductible is to subtract the protected income level (PIL) for ██████ Count which is ██████ from the net countable income of ██████). This leaves a deductible of ██████. ██████ = ██████). Exhibit D.

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 calculated the Petitioner's MA deductible.

DECISION AND ORDER

Accordingly, the Department's decision is

AFFIRMED.

LF/



Lynn M. Ferris
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]

[REDACTED]
[REDACTED]
[REDACTED]