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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: August 2, 2017
MAHS Docket No.: ██████████ 17-008692
Agency No.: ██████████
Petitioner: ██████████

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 ██████████, from Detroit, Michigan. Petitioner did not appear and was represented by his daughter, ██████████. The Michigan Department of Health and Human Services (MDHHS) was represented by ██████████, hearing facilitator. ██████████, specialist, participated as an observer.

ISSUE

The issue is whether MDHHS properly determined Petitioner's eligibility for Medicaid.

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 and his spouse were ongoing Medicaid recipients.
2. Petitioner and his spouse were married and aged individuals with no minor children.
3. Petitioner received RSDI of ██████████/month and a pension averaging ██████████/month.
4. Petitioner's spouse received RSDI of ██████████/month.
5. On ██████████ MDHHS determined Petitioner and his spouse were eligible for Medicaid subject to an ██████████/month deductible, effective ██████████.

6. On [REDACTED], Petitioner requested a hearing to dispute the determination of an ongoing Medicaid deductible.

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).

Petitioner's AHR's hearing request did not specify which programs were disputed. Petitioner's AHR testified that the only dispute concerned her parents' Medicaid coverage.

MDHHS presented a Health Care Coverage Determination Notice (Exhibit 1, pp. 19-23) dated [REDACTED]. The notice stating Petitioner and his spouse were eligible for Medicaid subject to an [REDACTED]/month deductible beginning [REDACTED]. Petitioner's AHR disputed that her parents were not found eligible for Medicaid and/or subject to a large 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.*

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.*

It was not disputed that Petitioner and his spouse were aged individuals with no minor children. As aged individuals, Petitioner and his spouse are 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 [RSDI] benefit amount as unearned income. BEM 503 (January 2017), 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 [REDACTED]/month in gross RSDI benefits. It was not disputed that Petitioner's spouse received [REDACTED]/month in RSDI benefits. The total countable RSDI is [REDACTED]/month.

It was also not disputed that Petitioner received a monthly pension of [REDACTED]. [For retirement income, MDHHS is to] count the gross benefit as unearned income.

MDHHS gives AD-Care budget credits for employment income, guardianship and/or conservator expenses and cost of living adjustments (COLA) (for [REDACTED] only). Petitioner did not allege any such factors were applicable. Thus, Petitioner's countable income for purposes of MA eligibility is [REDACTED]

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 MA group is [REDACTED] RFT 242 (April 2017), p. 1. Petitioner's group's countable income exceeds the AD-Care limit. It is found that MDHHS properly determined Petitioner and his spouse to be ineligible for Medicaid under AD-Care.

Petitioner and his spouse may still receive Medicaid subject to a monthly deductible through the G2S program. 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.

The G2S budget allows a [REDACTED] disregard for unearned income and various earned income disregards. The G2S budget also factors ongoing medical expenses (which are applied toward a deductible), insurance premiums, and remedial services; Petitioner's AHR did not allege any such expenses were applicable.

The deductible is calculated by subtracting the protected income level (PIL) from the MA net income. A PIL is a standard allowance for non-medical need items such as shelter, food and incidental expenses. The PIL for Petitioner's shelter area and group size is [REDACTED] (see RFT 240 (December 2013), p. 1).

Subtracting the PIL and [REDACTED] disregard from Petitioner's group's income results in a monthly deductible of [REDACTED], the same amount calculated by MDHHS (see Exhibit 1, p. 10). It is found that MDHHS properly determined Petitioner's and his spouse's Medicaid 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 monthly [REDACTED] deductible, effective [REDACTED]. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



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]

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]

Authorized Hearing Rep.

[REDACTED]
[REDACTED]
[REDACTED]