



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: April 12, 2017  
MAHS Docket No.: 17-001682  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton**

### **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 March 14, 2017, from Detroit, Michigan. The Petitioner was represented by Petitioner. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED] Hearing Facilitator.

### **ISSUE**

Did the Department properly that Petitioner was eligible for MA benefits subject to a deductible?

### **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 applied for MA benefits on [REDACTED].
2. The Department calculated Petitioner's eligibility for MA benefits and on [REDACTED] [REDACTED], it sent Petitioner a Health Care Coverage Determination Notice which informed Petitioner that she was eligible for MA benefits subject to a \$ [REDACTED] deductible.
3. On [REDACTED], Petitioner filed a Request for Hearing disputing the Department's actions.

## 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.

Petitioner disputed the Department's conclusion that she was eligible for MA subject to a monthly \$ [REDACTED] deductible. Petitioner testified that she was previously receiving MA benefits without the deductible requirement. The Department completed a Medical Budget to determine Petitioner's eligibility for MA benefits effective [REDACTED].

In this case, Petitioner confirmed that she received monthly RSDI income of \$ [REDACTED]. Applying a \$20 unearned income disregard results in Petitioner having net unearned income of [REDACTED]. See BEM 541 (January 2017), p. 3. Petitioner also receives earned income in the amount of \$300.00 per month. Because Petitioner has earned income, she is entitled to a 65 + ½ disregard in the amount of \$ [REDACTED]. RFT 295 (December 2013), p. 9. Thus Petitioner's countable income is \$ [REDACTED]. Clients are eligible for Group 2 MA coverage when their net income less any allowable needs deductions exceeds the applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. In such cases, the client is eligible for Group 2 MA coverage under the deductible program with the deductible equal to the amount that the client's monthly income exceeds the PIL.

The monthly PIL for an MA fiscal group size of one living in [REDACTED] is \$ [REDACTED] per month. RFT 200 (December 2013), p. 2; RFT 240 (December 2013), p. 1. Thus, if Petitioner's net income is in excess of \$ [REDACTED], she may become eligible for MA assistance under the deductible program. As discussed above, Petitioner's countable income totaled \$ [REDACTED]. The evidence at the hearing established that Petitioner was not eligible for any further deductions. BEM 544, pp. 1-2. Because Petitioner's net income of \$ [REDACTED] exceeded the applicable \$ [REDACTED] PIL by \$ [REDACTED], the Department acted in accordance with Department policy when it concluded that Petitioner was eligible for MA coverage subject to a monthly \$ [REDACTED] deductible.

**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 determined that Petitioner was eligible for MA subject to a [REDACTED] monthly deductible effective [REDACTED]

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

JM/hw



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**Jacquelyn A. McClinton**  
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]